

Auditing Procedures Report

Issued under P.A. 2 of 1988, as amended.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Government Name ANTRIM COUNTY	County ANTRIM
Audit Date 12/31/05	Opinion Date 5/17/06	Date Accountant Report Submitted to State: 6/26/06	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☒ Yes ☐ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGR).		✓	

Certified Public Accountant (Firm Name)

THOMAS R. ZICK CPA, P.C.

Street Address

P.O. BOX 149

City

LEWISTON

State

MI

ZIP

49756

Accountant Signature



Date

6/26/06

**ANTRIM COUNTY
BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2005**

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INDEPENDENT AUDITOR'S REPORT

May 17, 2006

Board of Commissioners
Antrim County
Bellaire, Michigan 49615

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Antrim, Michigan as of and for the year ended December 31, 2005, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Antrim, Michigan management. My responsibility is to express opinions on these financial statements based on my audit. I did not audit the financial statements of Meadow Brook Medical Care Facility, which represent 14.94 percent, 15.91 percent, and 33.98 percent, respectively of the assets, net assets, and revenues of Antrim County. Those financial statements were audited by other auditors whose report thereon has been furnished to me, and my opinion, insofar as it relates to the amounts included for Meadow Brook Medical Care Facility, is based on the report of the other auditors.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit and the report of other auditors provide a reasonable basis for our opinions.

In my opinion, based on my audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Antrim, Michigan, as of December 31, 2005, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information as identified in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it. Management of the Meadow Brook Medical Care Facility did not present management's discussion and analysis in their report, and their auditors indicated that the Governmental Accounting Standards Board determined the analysis is necessary to supplement, although not required to be a part of the basic financial statements, when issuing their report.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Antrim, Michigan basic financial statements. The introductory section, and combining non-major fund financial statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining non-major fund financial statements have been subjected to the auditing procedures applied by me and the other auditors in the audit of the basic financial statements and, in my opinion, based on my audit and the report of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with Government Auditing Standards, I have also issued my report dated May 17, 2006 on my consideration of Antrim County's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of my audit.

A handwritten signature in black ink, appearing to read "Thomas R. Zick, CPA P.C.", written in a cursive style.

THOMAS R. ZICK CPA, P.C.
CERTIFIED PUBLIC ACCOUNTANT

ANTRIM COUNTY, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Antrim County, we offer readers of the Antrim County financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2005. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the financial statements and notes to the financial statements.

Financial Highlights

The assets of Antrim County exceed its liabilities at the close of fiscal year, 2005 by \$37,691,086. Of this amount \$18,681,761 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.

- * At December 31, 2005, the County's governmental funds reported combined ending fund balances of \$9,447,576.
- * At December 31, 2005, unreserved fund balance for the General Fund was \$1,846,124 or 20.4% of General Fund expenditures.
- * Governmental funds revenues were \$ 15,989,638.
- * The County has no debt other than the bonds in the Hydro Electric Enterprise Fund.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County financial statements. The County basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

GOVERNMENT-WIDE FINANCIAL STATEMENTS. The *government-wide financial statements* are designed to provide readers with a broad overview of the County finances, in a manner similar to a private sector business.

The *statement of net assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in *net assets* may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement of some items that will only result in cash flows in future fiscal periods (e.g. accrued interest expense).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the County include legislative, judicial, general government, public safety, public works, health and welfare, and recreation and culture. The business-type activities of the County include delinquent property tax collection, medical care facility, transportation, and hydroelectric utility.

The government-wide financial statements include not only the County itself (known as the primary government), but also a legally separate component unit for which the County is financially accountable. Financial information for the component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 9-11 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FUND FINANCIAL STATEMENTS. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

GOVERNMENTAL FUNDS. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains 63 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for the general fund, considered to be the major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets for the County's major fund.

The basic governmental fund financial statements can be found on pages 12-15 of this report.

Proprietary Funds. The County maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its medical care facility, delinquent taxes, transportation and hydroelectric funds.

The basic proprietary fund financial statements can be found on pages 16-19 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 20 of this report.

NOTES TO THE FINANCIAL STATEMENTS. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21-41 of this report.

OTHER INFORMATION. The combining statements referred to earlier in connection with nonmajor governmental funds are presented following the notes to the financial statement. Combining statements and schedules can be found on pages 50-73 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceed liabilities by \$37,691,086 at the close of the most recent fiscal year. A large portion of the County's net assets reflects its investment in capital assets (e.g. land, buildings, vehicles, and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens, consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. At December 31, 2005 the County had no debt associated with its governmental fund capital assets.

ANTRIM COUNTY NET ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Current and Other Assets	\$ 15,384,918	\$ 13,931,182	\$ 12,351,097	\$ 10,929,578	\$ 27,736,015	\$ 24,860,760
Capital Assets	13,953,340	13,969,073	2,890,988	3,527,985	16,844,328	17,497,058
Total Assets	29,338,258	27,900,255	15,242,085	14,459,567	44,580,343	42,359,822
Long-Term Liabilities	-	-	190,000	220,000	190,000	220,000
Other Liabilities	5,937,342	6,766,831	761,915	784,250	6,699,257	7,551,081
Total Liabilities	5,937,342	6,766,831	951,915	1,004,250	6,889,257	7,771,081
Net Assets:						
Invested in Capital Assets						
Net of Related Debt	13,953,340	13,969,073	2,670,988	3,282,985	16,624,328	17,252,058
Restricted	1,471,284	1,297,292	913,713	749,388	2,384,997	2,046,680
Unrestricted	7,976,292	5,867,059	10,705,469	9,420,940	18,681,761	15,287,999
Total Net Assets	\$ 23,400,916	\$ 21,133,424	\$ 14,290,170	\$ 13,453,313	\$ 37,691,086	\$ 34,586,737

The County uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Investment in capital assets, net of related debt, is 44.1% of total net assets. An additional portion of the County's net assets (6.3%) represents resources that are subject to external restrictions on how they may be used. Restricted net assets are those net assets that have constraints placed on them by either: a)externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or b)imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the government to assess, levy charge, or otherwise mandate payment of resources and includes a legally enforceable requirement that those resources be used only for the specific purpose stipulated in the legislation. All such assets (except for assets invested in capital assets, net of related debt) are considered restricted or unrestricted. The unrestricted portion of the County's net assets is 49.6% of net assets. These net assets may be used to meet the government's ongoing obligations to citizens and creditors.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

ANTRIM COUNTY CHANGES IN NET ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Revenue						
Program Revenue						
Charges for Services	\$ 3,038,920	\$ 2,795,956	\$ 9,594,438	\$ 7,962,283	\$ 12,633,358	\$ 10,758,239
Operating Grants and Contributions	1,694,929	1,572,119	401,384	18,913	2,096,313	1,591,032
Capital Grants	497,960		28,094	366,233	526,054	366,233
General Revenue						
Property Taxes	9,996,510	9,433,643	1,035,975	992,956	11,032,485	10,426,599
Other	761,319	789,792	(106,275)	942,676	655,044	1,732,468
Total Revenue	15,989,638	14,591,510	10,953,616	10,283,061	26,943,254	24,874,571
Expenses						
Legislative	148,757	144,485	-	-	148,757	144,485
Judicial	1,706,886	1,715,663	-	-	1,706,886	1,715,663
General Government	3,947,010	3,665,235	-	-	3,947,010	3,665,235
Public Safety	4,759,077	4,382,802	-	-	4,759,077	4,382,802
Public Works	1,239	5,051	-	-	1,239	5,051
Health and Welfare	2,429,098	2,267,509	-	-	2,429,098	2,267,509
Recreation and Culture	310,017	274,685	-	-	310,017	274,685
Interest on Debt	-	-	-	-	-	-
Delinquent Property Tax	-	-	127,898	73,188	127,898	73,188
Medical Care Facility	-	-	9,021,617	8,880,579	9,021,617	8,880,579
Other	-	-	1,029,244	1,029,910	1,029,244	1,029,910
Total Liabilities	13,302,084	12,455,430	10,178,759	9,983,677	23,480,843	22,439,107
Increase in Net Assets Before Transfer	2,687,554	2,136,080	774,857	299,384	3,462,411	2,435,464
Transfer	(62,000)	(62,000)	62,000	62,000	-	-
Increase in Net Assets	2,625,554	2,074,080	836,857	361,384	3,462,411	2,435,464
Net Assets - Beginning of Year - as restated	20,775,362	19,059,344	13,453,313	13,091,929	34,228,675	32,151,273
Net Assets - End of Year	\$ 23,400,916	\$ 21,133,424	\$ 14,290,170	\$ 13,453,313	\$ 37,691,086	\$ 34,586,737

Governmental Activities

Governmental activities increased the County's net assets by \$2,625,554 accounting for 75.8% of the total growth in the County's net assets. The main reasons for the change in fund balances and the change in net assets are capital outlays in the current year which are expensed under the modified accrual method are carried as fixed assets under full accrual. In addition, the new fund, Revenue Sharing Reserve set up by the State of Michigan generated \$1,924,016 in additional net assets.

Government activities include:

- * Legislative activities – Expenditures related to the Board of Commissioners and high-level administrative expenditures.
- * Judicial activities– Expenditures related to the administration of Circuit, District, and Probate/Family Courts and Court Probation units.
- * General government activities – Expenditures related to the support department of the County such as Administration, Equalization, Treasury, Airport, Facilities Management, Finance, and Other.
- * Public Safety – Expenditures related to the Sheriff's administration and road patrol and County corrections services.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- * Health and Welfare – Expenditures related to public health services, child care, medical examiner, programs for seniors, and housing assistance programs.
- * Community/Economic Development – Expenditures related to county planner/coordinator and economic development.
- * Parks and Recreation – Expenditures related to County parks.

Business-type activities

The business-type activities of the County include proprietary operations.

Business-type activities increased the County's net assets before transfers by \$774,857 or 22.4% of the growth in net assets. The increase in the business-type activities' net assets was generated through interest and penalties on delinquent property taxes and interest earned on deposits in the Delinquent Tax Revolving Fund. The Medical Care Facility also showed an increase in net assets as a result of a tax levy. The Transportation Fund showed a decrease in net assets for the year.

Business-type activities include:

- * Delinquent tax revolving fund – This fund was established as a means to provide the local governments within the County's jurisdiction with 100% of the property tax distributions owed to them annually. The County then acts as the collection agency for the outstanding delinquent taxes.
- * Medical Care Facility – This fund was established to provide funds for care and maintenance of the medical care facility.
- * Transportation Fund – This fund was established to provide funds for operation and maintenance of the transportation facilities.
- * Elk Rapids Hydroelectric Fund – This fund was established to provide funds for operation and maintenance of the hydroelectric facility.

Financial Analysis of the Government's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds - The focus of the County governmental fund statements is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Unreserved fund balance represented 28.8% of annual governmental expenditures in 2005 in the governmental funds.

The General fund balance increased by \$205,921 from \$1,640,203 to \$1,846,124 during 2005 due to growth of general fund revenue by 5.1% while expenditures grew by 5.9%. Expenditure growth was highest in general government and public safety. Unreserved fund balance of \$1,846,124 is available for spending at the County's discretion.

Proprietary funds. The County proprietary funds provide the same type of information found in the government wide financial statements, but in more detail.

	UNRESTRICTED NET ASSETS	
	2005	2004
Proprietary Fund		
Enterprise Funds		
100% Tax Payment fund	\$ 6,967,490	\$ 6,292,581
Medical Care Facility	\$ 3,373,453	\$ 2,739,460
Transportation Fund	\$ 133,233	\$ 194,682
Elk Rapids Hydro Electric	\$ 231,293	\$ 194,217

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

General Fund Budgetary Highlights

Other factors considering the finances of these funds have been addressed in the discussion of the County's business-type activities.

Amended budgetary expenditures differed from the originally adopted with the following being the more significant amendments:

Revenues:

District Court costs were increased by	\$	92,000
Abstract Services were increased by	\$	51,800
Register of Deeds transfer tax was increased by	\$	40,000
Rents were increased by	\$	30,000

Expenses:

District Court was increased by	\$	36,250
Public Safety was increased by	\$	76,704

Capital Asset and Debt Administration

Capital Assets – A capital asset is an asset whose cost exceeds \$3,000 and useful life is greater than two years. Included in the cost of a capital asset are items such as labor and freight and any other costs associated with bringing the asset into full operation. Assets are depreciated using the straight-line method over the course of their useful lives.

The County currently has no debt except for general obligation revenue bonds in the hydroelectric fund. All governmental fund related debt is paid in full.

Economic Factors and Next Year's Budgets and Rates

The taxable value of commercial, residential, and personal property increased 6.86% from 2004 to 2005. This growth is expected to continue.

In a climate where other counties are seeing their revenues shrink, Antrim County has enjoyed slow but steady economic growth during the last two years, despite the broader economic climate. We attribute much of our county's growth to the increase in development of the recreational assets of the county such as parks, golf courses, and resorts. The County anticipates slow economic growth to continue throughout 2005.

Requests for Information

This financial report is designed to provide a general overview of the County finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be referred to the Antrim County Clerk, P.O. Box 520, Bellaire, MI 49615.

ANTRIM COUNTY
STATEMENT OF NET ASSETS
DECEMBER 31, 2005

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Road Commission
ASSETS				
Cash demand and time deposits	\$ 4,626,964	\$ 2,229,235	\$ 6,856,199	\$ 576,779
Investments	2,538,438	5,727,746	8,266,184	118,000
Receivables				
Accounts	98,456	850,561	949,017	45,217
Current tax	6,000,031	1,055,109	7,055,140	-
Delinquent tax	-	1,903,556	1,903,556	-
Interest and penalties	-	502,489	502,489	-
Other governments	331,216	2,158	333,374	607,169
Mortgages	1,789,813	-	1,789,813	-
Prepaid items and other assets	-	62,349	62,349	29,463
Inventory	-	17,894	2,158	506,007
Capital assets				
Land	7,516,705	5,541	7,522,246	-
Other capital assets, net of depreciation	6,436,635	2,885,447	9,322,082	23,204,279
TOTAL ASSETS	29,338,258	15,242,085	44,564,607	25,086,914
LIABILITIES				
Account payable	488,625	238,246	726,871	43,145
Accrued liabilities	180,727	493,669	674,396	24,768
Due to other governments	2,285	-	2,285	-
Advance from other governments	-	-	-	198,061
Deferred revenue	5,265,705	-	5,265,705	53,316
Noncurrent liabilities:				
Accrued compensated absences	-	-	-	204,141
Due within one year	-	30,000	30,000	200,000
Due in more than one year	-	190,000	190,000	415,000
TOTAL LIABILITIES	5,937,342	951,915	6,889,257	1,138,431
NET ASSETS				
Invested in capital assets, net of related debt	13,953,340	2,670,988	16,624,328	22,589,279
Restricted for:				
Debt Service	10,029	-	10,029	-
Capital Projects	475,399	-	475,399	-
Central Dispatch/911	836,057	-	836,057	-
Medical Care Restricted Donations	-	404,567	404,567	-
Register of Deeds Automation	59,779	-	59,779	-
Construction Code Enforcement	19,721	-	19,721	-
Other	70,299	509,146	579,445	-
County Roads	-	-	-	1,359,204
Unrestricted	7,976,292	10,705,469	18,681,761	-
TOTAL NET ASSETS	\$ 23,400,916	\$ 14,290,170	\$ 37,691,086	\$ 23,948,483

See Notes to Financial Statements

ANTRIM COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government					
Governmental Activities					
Legislative	\$ 148,757	\$ -	\$ -	\$ -	\$ (148,757)
Judicial	1,706,886	524,613	339,211	-	(843,062)
General Government	3,688,094	974,863	398,188	293,397	(2,021,646)
Public Safety	4,759,077	1,109,887	241,943	145,515	(3,261,732)
Public Works	1,239	-	-	-	(1,239)
Health and Welfare	2,429,098	316,497	698,968	-	(1,413,633)
Community/Economic Development	258,916	-	-	-	(258,916)
Recreation and Culture	310,017	113,060	16,619	59,048	(121,290)
Total Governmental Activities	13,302,084	3,038,920	1,694,929	497,960	(8,070,275)
Business-type Activities					
Delinquent Property Tax	127,898	846,570	-	-	718,672
Medical Care Facility	9,021,617	8,359,547	9,589	-	(652,481)
Other	1,029,244	388,321	391,795	28,094	(221,034)
Total Business-type Activities	10,178,759	9,594,438	401,384	28,094	(154,843)
Total Primary Government	\$ 23,480,843	\$ 12,633,358	\$ 2,096,313	\$ 526,054	\$ (8,225,118)
Component Unit					
Road Commission	\$ 4,602,657	\$ 687,528	\$ 3,852,375	\$ 1,205,105	\$ 1,142,351
Total Component Units	\$ 4,602,657	\$ 687,528	\$ 3,852,375	\$ 1,205,105	\$ 1,142,351

(Continued)

See Notes to Financial Statements

ANTRIM COUNTY
STATEMENT OF ACTIVITIES (Concluded)
FOR THE YEAR ENDED DECEMBER 31, 2005

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Road Commission
Changes in net assets				
Net (expense) revenue	\$ (8,070,275)	\$ (154,843)	\$ (8,225,118)	\$ 1,142,351
General revenues:				
Property taxes	9,996,510	1,035,975	11,032,485	-
Convention tax	130,311	-	130,311	-
Cigarette tax	14,446	-	14,446	-
Unrestricted investment earnings	266,208	220,492	486,700	21,323
Rents	350,354	-	350,354	-
Sales of capital assets	-	(326,767)	(326,767)	30,597
Transfers - internal activities	(62,000)	62,000	-	-
Total general revenues, contributions and transfers	10,695,829	991,700	11,687,529	51,920
Change in net assets	2,625,554	836,857	3,462,411	1,194,271
Net assets, beginning of year - as restated	20,775,362	13,453,313	34,228,675	22,754,212
Net assets, end of year	\$ 23,400,916	\$ 14,290,170	\$ 37,691,086	\$ 23,948,483

See Notes to Financial Statements

ANTRIM COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2005

	MAJOR FUNDS			
	GENERAL FUND	REVENUE SHARING RESERVE	OTHER FUNDS	TOTAL
ASSETS				
Cash	\$ 91,883	\$ 1,808,275	\$ 2,726,806	\$ 4,626,964
Investments	1,800,000	-	738,438	2,538,438
Receivables				
Taxes	3,139,395	2,278,873	581,763	6,000,031
Accounts	34,825	-	63,631	98,456
Mortgages	-	-	1,789,813	1,789,813
Due From Other Funds	1,000	-	-	1,000
Due From Other Governmental Units	166,076	-	165,140	331,216
TOTAL ASSETS	\$ 5,233,179	\$ 4,087,148	\$ 6,065,591	\$ 15,385,918
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 373,777	\$ -	\$ 114,848	\$ 488,625
Accrued Liabilities	119,149	-	61,578	180,727
Due to Other Funds	-	-	1,000	1,000
Due to Other Governmental Units	-	-	2,285	2,285
Deferred Revenue	2,894,129	-	2,371,576	5,265,705
TOTAL LIABILITIES	3,387,055	-	2,551,287	5,938,342
FUND BALANCES				
Reserved	-	4,087,148	1,435,862	5,523,010
Unreserved	1,846,124	-	2,078,442	3,924,566
TOTAL FUND BALANCES	1,846,124	4,087,148	3,514,304	9,447,576
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,233,179	\$ 4,087,148	\$ 6,065,591	\$ 15,385,918

See Notes to Financial Statements

ANTRIM COUNTY
Reconciliation of Fund Balances on the Balance Sheet
for Governmental Funds to Net Assets of
Governmental Activities on the Statement of Net Assets
DECEMBER 31, 2005

Fund Balances - Total Governmental Funds	\$ 9,447,576
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Amounts reported for *governmental activities* in the statement of net assets
are different because:

Capital assets used in governmental activities are not financial resources
and therefore are not reported in the funds.

Capital Assets - at Cost	21,007,619
Accumulated Depreciation	<u>(7,054,279)</u>

Net Assets of Governmental Activities	<u><u>\$ 23,400,916</u></u>
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See Notes to Financial Statements

ANTRIM COUNTY
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	MAJOR FUNDS		OTHER FUNDS	TOTAL
	GENERAL FUND	REVENUE SHARING RESERVE		
REVENUES				
Taxes	\$ 7,206,106	\$ 2,278,873	\$ 511,531	\$ 9,996,510
Licenses and Permits	151,291	-	469,291	620,582
Intergovernmental Revenue:				
Federal	71,215	-	512,780	583,995
State	715,992	-	698,692	1,414,684
Other Local Units	-	-	19,187	19,187
Charges for Services	1,398,385	-	852,916	2,251,301
Fines and Forfeits	3,150	-	6,000	9,150
Interest and Rents	327,797	33,669	241,096	602,562
Other Revenue	231,504	-	260,163	491,667
TOTAL REVENUES	10,105,440	2,312,542	3,571,656	15,989,638
EXPENDITURES				
Current				
Legislative	148,757	-	-	148,757
Judicial	1,650,427	-	25,663	1,676,090
General Government	3,187,704	-	338,027	3,525,731
Public Safety	2,879,461	-	1,726,710	4,606,171
Public Works	1,239	-	-	1,239
Health and Welfare	527,002	-	1,896,820	2,423,822
Community/Economic Development	258,916	-	-	258,916
Recreation and Cultural	244,792	-	56,826	301,618
Capital Outlay	130,721	-	571,348	702,069
Debt Service:				
Principal	-	-	-	-
Interest and Other Charges	-	-	-	-
TOTAL EXPENDITURES	9,029,019	-	4,615,394	13,644,413
REVENUES OVER (UNDER) EXPENDITURES	1,076,421	2,312,542	(1,043,738)	2,345,225
OTHER FINANCING SOURCES (USES)				
Transfers In	8,184	-	1,434,812	1,442,996
Transfers (Out)	(878,684)	(388,526)	(237,786)	(1,504,996)
TOTAL OTHER FINANCING SOURCES (USES)	(870,500)	(388,526)	1,197,026	(62,000)
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	205,921	1,924,016	153,288	2,283,225
FUND BALANCES, BEGINNING OF YEAR	1,640,203	2,163,132	3,361,016	7,164,351
FUND BALANCES, END OF YEAR	\$ 1,846,124	\$ 4,087,148	\$ 3,514,304	\$ 9,447,576

See Notes to Financial Statements

ANTRIM COUNTY
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
FOR THE YEAR ENDED DECEMBER 31, 2005

Net Change in Fund Balances - Total Governmental Funds	\$ 2,283,225
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Amounts reported for *governmental activities* in the statement of activities
are different because:

Governmental funds report capital outlays as expenditures. However, in
the statement of activities, the cost of those assets is allocated over their
estimated useful lives and reported as depreciation expense.

Add - Capital Outlay	702,069
Deduct - Depreciation Expense	<u>(359,740)</u>

Revenues in the statement of activities that do not provide current
resources are not reported as fund revenues

Change in Net Assets of Governmental Activities	<u><u>\$ 2,625,554</u></u>
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See Notes to Financial Statements

ANTRIM COUNTY
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
DECEMBER 31, 2005

	MAJOR FUNDS				
	100% TAX PAYMENT	MEDICAL CARE FACILITY	ELK RAPIDS HYDRO ELECTRIC	OTHER	TOTAL
ASSETS					
Current Assets					
Cash	\$ 170,591	\$ 1,909,316	\$ 3,800	\$ 145,528	\$ 2,229,235
Investments	4,900,000	620,162	207,584	-	5,727,746
Receivables:					
Accounts	-	797,662	21,589	31,310	850,561
Taxes	-	1,055,109	-	-	1,055,109
Delinquent Taxes	1,903,556	-	-	-	1,903,556
Interest and Penalties	502,489	-	-	-	502,489
Due from State	-	-	-	2,158	2,158
Prepaid Expenses	-	54,789	-	7,560	62,349
Inventories	-	-	-	17,894	17,894
Capital Assets - net	-	2,219,316	228,426	443,246	2,890,988
TOTAL ASSETS	7,476,636	6,656,354	461,399	647,696	15,242,085
LIABILITIES					
Accounts Payable	-	176,142	1,680	60,424	238,246
Accrued Liabilities	-	482,876	-	10,793	493,669
Due to Other Governments	-	-	-	-	-
Bonds Payable	-	-	220,000	-	220,000
Deferred Revenue	-	-	-	-	-
TOTAL LIABILITIES	-	659,018	221,680	71,217	951,915
NET ASSETS					
Investment in Capital Assets, Net of Related Debt	-	2,219,316	8,426	443,246	2,670,988
Unrestricted net assets	6,967,490	3,373,453	231,293	133,233	10,705,469
Restricted net assets	509,146	404,567	-	-	913,713
TOTAL NET ASSETS	\$ 7,476,636	\$ 5,997,336	\$ 239,719	\$ 576,479	\$ 14,290,170

See Notes to Financial Statements

ANTRIM COUNTY
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
DECEMBER 31, 2005

	MAJOR FUNDS				
	100% TAX PAYMENT	MEDICAL CARE FACILITY	ELK RAPIDS HYDRO ELECTRIC	OTHER	TOTAL
OPERATING REVENUES					
Interest and Penalties on Taxes	\$ 521,488	\$ -	\$ -	\$ -	\$ 521,488
Charges for Services	168,078	8,074,037	98,047	290,274	8,630,436
Sale of Properties at Tax Auction	157,004	-	-	-	157,004
Other Income	-	285,510	-	-	285,510
TOTAL OPERATING REVENUES	846,570	8,359,547	98,047	290,274	9,594,438
OPERATING EXPENSES					
Salary Expense	-	4,979,893	-	303,630	5,283,523
Fringe Benefit Expense	-	1,466,839	-	200,151	1,666,990
Other Expenses	127,898	2,235,059	29,317	298,960	2,691,234
Depreciation Expense	-	339,826	25,421	159,985	525,232
TOTAL OPERATING EXPENSES	127,898	9,021,617	54,738	962,726	10,166,979
OPERATING INCOME (LOSS)	718,672	(662,070)	43,309	(672,452)	(572,541)
NONOPERATING REVENUES (EXPENSES)					
Interest Earned on Investments	135,310	75,811	5,125	4,246	220,492
Interest Expense	-	-	(11,780)	-	(11,780)
Tax Levy	-	1,035,975	-	-	1,035,975
Restricted Donations/Income	-	9,589	-	-	9,589
(Loss) on Sale of Assets	-	(326,767)	-	-	(326,767)
Federal Grants	-	-	-	124,034	124,034
State Grants	-	-	-	295,855	295,855
TOTAL NONOPERATING REVENUES (EXPENSES)	135,310	794,608	(6,655)	424,135	1,347,398
INCOME BEFORE OPERATING TRANSFERS	853,982	132,538	36,654	(248,317)	774,857
TRANSFERS					
Transfers from Other Funds	-	-	-	62,000	62,000
Transfers to Other Funds	-	-	-	-	-
TOTAL TRANSFERS	-	-	-	62,000	62,000
CHANGE IN NET ASSETS	853,982	132,538	36,654	(186,317)	836,857
NET ASSETS, BEGINNING OF YEAR	6,622,654	5,864,798	203,065	762,796	13,453,313
NET ASSETS, END OF YEAR	\$ 7,476,636	\$ 5,997,336	\$ 239,719	\$ 576,479	\$ 14,290,170

See Notes to Financial Statements

ANTRIM COUNTY
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2005

	ENTERPRISE FUNDS				
	100% TAX PAYMENT	MEDICAL CARE FACILITY	ELK RAPIDS HYDRO ELECTRIC	OTHER	TOTAL
Cash Flows from Operating Activities:					
Cash received from customers	\$ -	\$ 7,938,539	\$ 90,782	\$ 281,156	\$ 8,310,477
Cash received from sale of taxes at auction	157,004	-	-	-	157,004
Cash payments for goods and services	(127,898)	(8,664,192)	(30,237)	(301,239)	(9,123,566)
Cash received from penalties and interest on delinquent taxes	582,404	-	-	-	582,404
Cash received from other sources	-	251,515	-	-	251,515
Cash payments to employees for services/fringe benefits	-	-	-	(504,159)	(504,159)
Cash received for delinquent taxes	3,161,404	-	-	-	3,161,404
Cash payments for delinquent taxes	(3,467,554)	-	-	-	(3,467,554)
Net Cash Provided (Used) by Operating Activities	305,360	(474,138)	60,545	(524,242)	(632,475)
Cash Flows from Non Capital Financing Activities:					
Transfers from (to) other funds	-	-	-	62,000	62,000
Proceeds from county tax levy	-	986,827	-	-	986,827
Contributions received	-	9,589	-	-	9,589
Operating grants received	-	-	-	419,903	419,903
Activities	-	996,416	-	481,903	1,478,319
Cash Flows from Capital and Related Financing Activities:					
Acquisition of capital assets	-	(181,886)	-	(35,118)	(217,004)
Capital acquisition grants - received in cash	-	-	-	35,118	35,118
Principal paid on bonds	-	-	(25,000)	-	(25,000)
Interest paid on bonds	-	-	(11,780)	-	(11,780)
Proceeds from sale of property and equipment	-	2,000	-	-	2,000
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(179,886)	(36,780)	-	(216,666)
Cash Flows from Investing Activities:					
Proceeds from sale (purchase of) investments	-	5,836	-	-	5,836
Interest Received	135,310	75,811	5,125	4,246	220,492
Net Cash Provided by Investing Activities	135,310	81,647	5,125	4,246	226,328
Net Increase (Decrease) in Cash and Cash Equivalents	440,670	424,039	28,890	(38,093)	855,506
Cash and Cash Equivalents, Beginning of Year	4,629,921	1,798,461	182,494	183,621	6,794,497
Cash and Cash Equivalents, End of Year	\$ 5,070,591	\$ 2,222,500	\$ 211,384	\$ 145,528	\$ 7,650,003

See Notes to Financial Statements

ANTRIM COUNTY
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2005

	ENTERPRISE FUNDS				
	100% TAX PAYMENT	MEDICAL CARE FACILITY	ELK RAPIDS HYDRO ELECTRIC	OTHER	TOTAL
Operating Income (Loss)	\$ 718,672	\$ (662,070)	\$ 43,309	\$ (672,452)	\$ (572,541)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation Expense	-	339,826	25,421	159,985	525,232
Provision for bad debt	-	10,304	-	-	10,304
Changes in Assets and Liabilities:					-
(Increase) Decrease in Accounts Receivable	-	(145,802)	(7,265)	(9,119)	(162,186)
(Increase) Decrease in Delinquent Taxes Receivable	(306,150)	-	-	-	(306,150)
(Increase) Decrease in Interest and Penalties Receivable	(107,162)	-	-	-	(107,162)
(Increase) Decrease in Inventories	-	-	-	(4,271)	(4,271)
(Increase) Decrease in Prepaid Expenses	-	9,602	-	2,030	11,632
Increase (Decrease) in Accounts Payable	-	20,167	(920)	(38)	19,209
Increase (Decrease) in Accrued Liabilities	-	(12,170)	-	(377)	(12,547)
Deferred Revenues	-	(33,995)	-	-	(33,995)
Net Cash Provided (Used) by Operating Activities	<u>\$ 305,360</u>	<u>\$ (474,138)</u>	<u>\$ 60,545</u>	<u>\$ (524,242)</u>	<u>\$ (632,475)</u>

See Notes to Financial Statements

ANTRIM COUNTY
STATEMENT OF FIDUCIARY FUND NET ASSETS
AGENCY FUNDS
DECEMBER 31, 2005

	<u>ASSETS</u>	
Cash		<u>\$ 2,022,030</u>
	<u>TOTAL ASSETS</u>	<u>\$ 2,022,030</u>
	<u>LIABILITIES</u>	
Due to Other Governmental Units		\$ 210,081
Undistributed Collections		842,842
Other Liabilities		<u>969,107</u>
	<u>TOTAL LIABILITIES</u>	<u>\$ 2,022,030</u>

See Notes to Financial Statements

ANTRIM COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the County conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the significant accounting policies:

DESCRIPTION OF COUNTY OPERATIONS AND FUND TYPES

The County was organized in 1863 and covers an area of approximately 475 square miles with the County seat located in Bellaire, Michigan. The County operates under an elected Board of Commissioners of nine (9) members and provides services, assistance and care to its more than 23,000 residents, primarily from the operations of its General Fund and Special Revenue Funds. The County's services, assistance and care includes the (1) general county departments, boards and commissions; (2) court system administration; (3) law enforcement and corrections; (4) assistance and/or institutional care to the aged, needy, wards of the court and neglected children, public and mental health recipients; (5) libraries, and (6) recreation.

The financial statements of the County have been prepared in conformity with generally accepted accounting principles as applies to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

REPORTING ENTITY

The accompanying financial statements present the County (primary government) and its component units, entities for which the government is considered to be financially accountable. Discretely presented component units, on the other had are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the County.

The Governmental Accounting Standards Board (GASB) Statement No. 14 "The Financial Reporting Entity" and the State of Michigan Department of Treasury established criteria for governmental organizations to be considered to be part of the County for financial reporting purposes. The criteria included oversight responsibility, fiscal dependency and whether the statements would be misleading if data were not included.

The financial statements of certain governmental organizations are not included in the financial statements of the County: (1) Education services which are provided to citizens through the several local school districts that are separate governmental entities.

DISCRETELY PRESENTED COMPONENT UNIT

The Antrim County Road Commission is considered a component unit of the County. It's financial statement is discretely presented in the County combined financial statements as required by accounting principles generally accepted in the United States of America revised under GASB 14. The road commission data is shown in the column entitled road commission and is discretely presented to emphasize that the road commission has its own board, appointed by the board of commissioners, and acts, under Michigan Statute as a separate board. Complete financial statements of the Road Commission Component Unit can be obtained directly from the Road Commission office at 319 East Lincoln St., Mancelona, Michigan 49659.

JOINTLY GOVERNED ORGANIZATIONS

The North Country Community Mental Health Authority consists of the counties of Otsego, Emmet, Charlevoix, Cheboygan, Antrim and Kalkaska. Financial records for this Authority are maintained by the mental health authority and are audited separately from any of the member counties. A copy of a financial statement and audit report would be available at the Authority office located at 1 MacDonald Drive, Suite A, Petoskey, Michigan 49770.

ANTRIM COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The funding formula for the Community Mental Health operations is in accordance with an agreement approved by all of the member counties and the local contribution was frozen, by statute, at the amount contributed in the previous year 2002. For 2005 Antrim County's local match was \$145,611. Their financial statements are not required, under GASB No. 14, to be included in the Antrim County report.

The 86th District Court is comprised of Antrim, Grand Traverse and Leelanau Counties. The court funding formula is based upon caseload. All of Antrim County's expenses for the operation of the court are recorded in the general fund under the District Court caption.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses are charged based upon a countywide cost allocation plan, which allocates costs based upon the number of full time equivalents, number of transactions, and other pertinent information. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. After March 1 of the year for which they were levied, the Delinquent Tax Revolving Fund pays the County for any outstanding taxes as of that date. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Grant revenues are considered to be available when all eligibility requirements imposed by the provider have been met. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

ANTRIM COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property taxes, intergovernmental revenue, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

GENERAL FUND This fund is the County's the primary general operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

REVENUE SHARING RESERVE FUND – This fund was established by the State of Michigan during 2005 as a result of legislation that in effect shifted an obligation formerly funded by the State to the local taxpayers by levying taxes sooner.

The County reports the following major enterprise funds:

MEADOW BROOK MEDICAL CARE FACILITY – This fund is a 113 bed long-term medical care facility.

DELINQUENT PROPERTY TAX FUND – This fund is used to pay each local governmental unit, including the County General Fund, the respective amount of taxes not collected as of March 1 of each year. Financing is provided by subsequent collection of delinquent property taxes by the County Treasurer.

ELK RAPIDS HYDRO ELECTRIC – This is an enterprise fund that generates power from a county owned facility and sells it to a local utility. It became a major fund this year because of the outstanding debt and its percentage to total liabilities.

Additionally, the County reports the following fund types:

SPECIAL REVENUE FUNDS - These funds are used to account for specific revenues derived primarily from sources (other than major capital projects) and related expenditures which are restricted for specific purposes by administrative action or law.

DEBT SERVICE FUNDS – account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the Building Authority.

CAPITAL PROJECTS FUNDS - The Capital Projects Funds are used to account for the acquisition or construction of major capital facilities other than those financed by enterprise funds or special assessments.

AGENCY FUNDS – are used to account for assets held on behalf of outside parties, including other governments.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidelines.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

ANTRIM COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are interest and penalties on delinquent taxes and charges for services provided. The principal operating revenues of the County's internal service funds are charges to County departments for equipment amortization and insurance coverage. Operating expenses for the enterprise funds consist of administrative expenses. Operating expenses for the internal service funds include the cost of services (including claims), administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non operating revenues and expenses.

BUDGETS AND BUDGETARY ACCOUNTING

PRIMARY GOVERNMENT

A budget is adopted by the Board of Commissioners in accordance with Michigan Public Act 621 of 1978. The Uniform Budgeting and Accounting Act, for the general and special revenue funds. The Board amends the budget as necessary during the year. The budget is adopted on the modified accrual basis of accounting consistent with the actual financial statements for these funds. The budget is adopted at the activity level and control is exercised at the activity level for the General Fund and Special Revenue Funds. All budget appropriations lapse at the end of each fiscal year.

The County does not use encumbrances in its accounting system.

DISCRETE COMPONENT UNIT

Budgetary procedures are established pursuant to Michigan Public Act 621, PA 1978, as amended, (MCL 141.421) which requires the County Board of Road Commissioners to approve a budget for the County Road Fund. Pursuant to the Act, the Road Commission's chief financial officer prepares and submits a proposed operating budget to the Board of Road commissioners for its review and consideration. The budget is amended as necessary during the year, and is approved by the Board. The budget is prepared on the modified accrual basis of accounting, which is the same basis utilized for the fund financial statements.

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

BANK DEPOSITS AND INVESTMENTS – Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair market value.

RECEIVABLES AND PAYABLES – In general, outstanding balances between funds are reported as “due to/from other funds.” Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as “advances to/from other funds.” Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances.”

ANTRIM COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CURRENT PROPERTY TAX LEVY - The County property tax is levied each December 1 and July 1 on the taxable valuation of property located in the County as of the preceding December 31.

Beginning with the 2004 tax levy the State has mandated the creation of a Revenue Sharing Reserve fund into which one-third of the County's 2004 ad valorem operating tax is being recognized and deposited each year for three years. The purpose of the fund is to accumulate reserves of the County's own local tax dollars from which an amount similar to Revenue Sharing payments, formerly made by the State, will be made back to the General Fund. As part of this process, the County's operating tax levy is shifting over the next three years from winter to summer.

The County's Winter 2004 and Summer 2005 ad valorem taxes were levied and collectible on December 1, 2004 and July 1, 2005, respectively. It is the County's policy to recognize revenues from the tax levy in the year when the proceeds of the levy are budgeted and made available for the financing of County operations. As a result, the County's Winter 2004 and Summer 2005 tax levies have been recognized as revenue in the current fiscal year. The 2004 taxable value of Antrim County amounted to \$1,390,196,533 on which ad valorem taxes levied for county general operating purposes consisted of 3.36246 mills for Winter 2004 and the 2005 taxable value amounted to \$1,485,604,812 on which 1.7622 mills for Summer 2005. The Antrim County Commission on Aging levied .3916 mills for services related to the aging within the County. The County levied .7051 mills for services related to the Meadow Brook Medical Care Facility operations

By resolution of the Board of Commissioners and agreement with various taxing authorities, the County purchased at face value the real property taxes receivable returned delinquent on March 1, 2005. Subsequent collections of delinquent taxes receivable, plus interest thereon and investment earnings, are used to repay the funds distributed by the Delinquent Tax Revolving fund. This activity is accounted for in the Delinquent Tax Revolving (Enterprise) Fund.

TAXES RECEIVABLE - DELINQUENT - The taxes receivable of \$1,903,556 which are recorded in the Enterprise 100% Tax Payment Fund, consist of the unpaid delinquent real property taxes which were purchased from all of the taxing units in Antrim County by the County's 100% Tax Payment Fund.

INVENTORIES AND PREPAID ITEMS ROAD COMMISSION (COMPONENT UNIT) – Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statement.

CAPITAL ASSETS – Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the activities column in the government-as assets with an initial individual cost of more than \$3,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

Buildings	40 to 60 years
Building Improvements	15 to 30 years
Water and Sewer Lines	50 to 75 years
Roads	10 to 30 years
Other Infrastructure	8 to 50 years
Vehicles	3 to 5 years
Office Equipment	5 to 7 years
Computer Equipment	3 to 7 years

ANTRIM COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DEFERRED REVENUE – Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period or for resources that have been received, but not yet earned.

LONG-TERM OBLIGATIONS - In the government-wide financial statements and proprietary fund type statements, the long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. For new bond issuances after the implementation of GASB Statement No. 34, material bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt used is reported as other financing sources. Premiums received on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

FUND EQUITY - In the fund financial statements, governmental and business-type funds report reservations of fund balance for amounts that are not legally restricted for use for a specific purpose.

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS / FUND DEFICITS

Public Act 621 of 1978, as amended, requires the adoption of a balanced budget for general and special revenue funds, as well as budget amendments as needed to prevent actual expenditures from exceeding those provided for in the budget. The approved budgets of the County for all budgetary funds were adopted at the department (activity) levy.

PRIMARY GOVERNMENT

During the year ended December 31, 2005 expenditures were incurred in excess of the amounts appropriated in the amended budget of the general fund and special revenue fund types of the primary government as follows:

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
General:			
Housing	-0-	\$ 17,087	\$ (17,087)
Special Revenue:			
Airport Special Projects	\$ 28,834	\$ 293,397	\$ (264,563)
Law Library	\$ 21,000	\$ 22,453	\$ (1,453)
Homebuyers Purchase Rehab	\$ 49,500	\$ 56,128	\$ (6,628)

Fund Deficits – The County accumulated fund balance/retained earning deficits in the following individual fund.

Governmental: Special Revenue:	
Public Access Book Fund	\$ (2)
Construction Code	\$ (4,917)
Services for Aged	\$ (21,941)

ANTRIM COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005

NOTE 2– EXCESS OF EXPENDITURES OVER APPROPRIATIONS/FUND DEFICITS (CONTINUED)

Public Act 275 of 1980 requires the County to file a deficit elimination plan within 90 days after December 31, 2005. The County has not filed the required plan, however, the deficits are expected to be eliminated in 2005 and an appropriate plan will be filed.

NOTE 3 - CASH AND INVESTMENTS

The captions on the accompanying balance sheet related to cash and investments are as follows:

	<u>Imprest Cash</u>	<u>Cash/Checking and Savings</u>	<u>Investments</u>	<u>Total</u>
Primary Government				
Government Activities	\$ 5,454	\$ 4,621,510	\$ 2,538,438	\$ 7,165,402
Business-type Activities	1,825	2,227,410	5,727,746	7,956,981
Agency Funds	-	2,022,030	-	2,022,030
Component Unit				
Road Commission	100	576,679	118,000	694,779
	<u>\$ 7,379</u>	<u>\$ 9,447,629</u>	<u>\$ 8,384,184</u>	<u>\$ 17,839,192</u>

Deposits - At year-end, the carrying amount of the County's deposits was \$9,447,629 and the bank balance of \$9,707,878 was classified as to risk as follows:

Insured	\$ 985,663
Uninsured – Uncollateralized	8,461,966
	<u>\$ 9,447,629</u>

Investments - Act 217, PA 1982, authorized the County to deposit and invest in the following:

- (a) bonds, securities and other direct obligations of the United States or its agencies
- (b) certificates of deposit, savings and accounts, deposit accounts, or depository receipts of federally insured banks, insured savings and loan associations or credit unions insured by the National Credit Union Administration that are eligible to be depository of surplus money belonging to the State and maintains a principal office or branch office in Michigan.
- (c) commercial paper rated at time of purchase within the three highest classifications established by not less than two standard rating services. Maturity cannot be more than 270 days after purchase.
- (d) United States government or Federal agency obligation repurchase agreements
- (e) bankers' acceptance of United States banks
- (f) mutual funds properly registered with the State of Michigan, composed of investments which are legal for direct investments by local units of government in Michigan.

ANTRIM COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

As of December 31, 2005 the carrying amounts and market values for each investment are as follows:

<u>INVESTMENT TYPE</u>	<u>Carrying Amount</u>	<u>Market Value</u>	<u>Moody's Rating</u>	<u>Weighted Average Maturity</u>
Bank One - governmental MM Fund	\$ 356,596	\$ 356,596	N/A	1 DAY
Citizens Bank - Treasury Portfolio Class B	3,084,834	3,084,834	N/A	1 DAY
National city Bank - MM Sweep	9,000	9,000	N/A	1 DAY
MBIA Class fund	2,270,187	2,270,187	N/A	1 DAY
Merrill Lynch Govt Securities Fund	118,000	118,000	N/A	1 DAY
Citigroup - governmental money fund	397	397	N/A	1 DAY
UBS Financial Services Group -				1 DAY
RMS Government Portfolio	14,144	14,144	N/A	1 DAY
LaSalle Bank MMA/Govt Portfolio	1,019,085	1,019,085	N/A	1 DAY
Citigroup Commercial Paper	1,011,941	1,013,159	Aaa	92 DAYS
FHLMC	<u>500,000</u>	<u>496,465</u>	Aaa	125 DAYS
 Total Investments Per Report	 <u>\$ 8,384,184</u>	 <u>\$ 8,381,867</u>		

Credit Risk

State law limits investments in certain types of investments to a prime or better rating issued by nationally recognized statistical rating organizations (NRSRO's). The county's investments all meet State statutes.

Interest Rate Risk

The County has not adopted a policy that indicates how the County will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by limiting the weighted average maturity of its investment portfolio to less than a given period of time.

Concentration of Credit Risk

The County has not adopted a policy that indicates how the County will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the County's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

Custodial Credit Risk

The County has not adopted a policy that indicates how the County will minimize custodial credit risk, which is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments of collateral securities that are in possession of an outside party.

ANTRIM COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005

NOTE 4 – RECEIVABLES / DEFERRED REVENUE

Receivables as of year-end for the government's individual major and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Revenue Sharing Reserve	Non-Major And Other Funds	Total
Taxes Receivable	\$ 3,139,395	\$ 2,278,873	\$ 581,763	\$ 6,000,031
Accounts	34,825	-	63,631	98,456
Mortgages	-	-	1,789,813	1,789,813
Intergovernmental	166,076	-	165,140	331,216
Net Receivables	<u>\$ 3,340,296</u>	<u>\$ 2,278,873</u>	<u>\$ 2,600,347</u>	<u>\$ 8,219,516</u>

Governmental funds report deferred revenue in connection with receivables for revenue that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of deferred revenue are as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Delinquent Property Taxes	\$ 2,894,129	\$ 581,763	\$ 3,475,892
Housing Fund Mortgages	-	1,789,813	1,789,813
	<u>\$ 2,894,129</u>	<u>\$ 2,371,576</u>	<u>\$ 5,265,705</u>

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances is as follows:

<u>Receivable Fund</u>		<u>Payable Fund</u>	
Due To/From Other Funds			
General	\$ 1,000	Other Non-Major Funds	\$ 1,000
Total	<u>\$ 1,000</u>		<u>\$ 1,000</u>

Interfund Transfers

	Operating Transfers In	Operating Transfers Out	Total
<u>Transfers</u>			
General Fund	\$ 8,184	\$ (878,684)	\$ (870,500)
Revenue Sharing Reserve Fund	-	(388,526)	(388,526)
Non Major Governmental Funds	1,434,812	(237,786)	1,197,026
Proprietary Funds	62,000	-	62,000
Total	<u>\$ 1,504,996</u>	<u>\$ (1,504,996)</u>	<u>\$ -</u>

ANTRIM COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005

NOTE 6 - CAPITAL ASSETS

Capital asset activity of the primary government for the current year was as follows:

	Balance 1/1/05	Additions	Disposals	Balance 12/31/05
Capital assets not being depreciated:				
Land	\$ 7,487,872	\$ 28,833	\$ -	\$ 7,516,705
Subtotal	<u>7,487,872</u>	<u>28,833</u>	<u>-</u>	<u>7,516,705</u>
Capital assets being depreciated:				
Buildings	8,220,331	106,678	-	8,327,009
Land Improvements	1,913,870	251,209	-	2,165,079
Machinery and Equipment	<u>2,754,536</u>	<u>315,349</u>	<u>71,059</u>	<u>2,998,826</u>
Subtotal	<u>12,888,737</u>	<u>673,236</u>	<u>71,059</u>	<u>13,490,914</u>
Accumulated Depreciation:				
Buildings	3,134,692	140,381	-	3,275,073
Land Improvements	1,616,780	25,880	-	1,642,660
Machinery and Equipment	<u>2,014,126</u>	<u>193,479</u>	<u>71,059</u>	<u>2,136,546</u>
Subtotal	<u>6,765,598</u>	<u>359,740</u>	<u>71,059</u>	<u>7,054,279</u>
Net Capital Assets Being Depreciated	<u>6,123,139</u>	<u>313,496</u>	<u>-</u>	<u>6,436,635</u>
Net Capital Assets	<u>\$ 13,611,011</u>	<u>\$ 342,329</u>	<u>\$ -</u>	<u>\$ 13,953,340</u>

Capital asset activity of the business-type activities for the current year was as follows:

	1/1/05	Additions	Disposals	12/31/05
Capital assets not being depreciated:				
Land	\$ 5,541	\$ -	\$ -	\$ 5,541
Capital assets being depreciated:				
Land Improvements	378,421	56,986	211,571	223,836
Building	4,741,837	105,514	124,320	4,723,031
Furniture, Fixtures, & Equipment	2,526,369	54,503	560,057	2,020,815
Vehicles	<u>1,258,999</u>	<u>-</u>	<u>10,101</u>	<u>1,248,898</u>
Subtotal	<u>8,905,626</u>	<u>217,003</u>	<u>906,049</u>	<u>8,216,580</u>
Accumulated Depreciation:				
Land Improvements	135,536	17,477	63,423	89,590
Building	2,977,415	196,824	94,903	3,079,336
Furniture, Fixtures, & Equipment	1,484,294	154,818	414,158	1,224,954
Vehicles	<u>785,938</u>	<u>156,113</u>	<u>4,798</u>	<u>937,253</u>
Subtotal	<u>5,383,183</u>	<u>525,232</u>	<u>577,282</u>	<u>5,331,133</u>
Net Capital Assets Being Depreciated	<u>3,522,443</u>	<u>(308,229)</u>	<u>328,767</u>	<u>2,885,447</u>
Net Business Type Activities Capital Assets	<u>\$ 3,527,984</u>	<u>\$ (308,229)</u>	<u>\$ 328,767</u>	<u>\$ 2,890,988</u>

ANTRIM COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005

NOTE 6 - CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to programs of the primary government as follows:

Governmental Activities	
Judicial	\$ 30,796
General government	162,363
Public Safety	152,906
Health and Welfare	5,276
Recreation and Culture	8,399
Total Governmental Activities	<u>\$ 359,740</u>
Business-Type Activities	
Medical Care Facility	339,826
Hydro Electric	25,421
Transportation	159,985
Total Business-Type Activities	<u>\$ 525,232</u>

DISCRETE COMPONENT UNIT – The following is a summary of changes in Capital Assets for the Road Commission.

	Balance 1/1/05	Additions	Disposals	Balance 12/31/05
Capital assets not being depreciated:				
Land	\$ 58,250	\$ -	\$ -	\$ 58,250
Infrastructure and Land Improvements	10,099,776	766,501		10,866,277
Subtotal	10,158,026	766,501	-	10,924,527
Capital assets being depreciated:				
Buildings	2,458,542	-	-	2,458,542
Equipment - Road	5,225,718	166,687	130,775	5,261,630
Equipment - Shop	113,687	-	-	113,687
Equipment - Office	104,317	994	-	105,311
Equipment - Engineering	46,423	-	-	46,423
Equipment - Yard & Storage	927,573	-	-	927,573
Infrastructure - Bridges	757,203	291,204	-	1,048,407
Infrastructure - Roads	15,151,481	948,136	-	16,099,617
Subtotal	24,784,944	1,407,021	130,775	26,061,190

ANTRIM COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005

NOTE 6 - CAPITAL ASSETS (CONTINUED)

Accumulated Depreciation:

Buildings	590,682	60,530	-	651,212
Equipment - Road	4,251,822	366,071	130,775	4,487,118
Equipment - Shop	93,800	6,283	-	100,083
Equipment - Office	84,176	6,322	-	90,498
Equipment - Engineering	41,124	1,995	-	43,119
Equipment - Yard & Storage	705,932	45,111	-	751,043
Infrastructure - Bridges	418,182	23,190	-	441,372
Infrastructure - Roads	6,450,159	766,834	-	7,216,993
Subtotal	12,635,877	1,276,336	130,775	13,781,438
Net Capital Assets Being Depreciated	12,149,067	130,685	-	12,279,752
Net Component Unit Capital Assets	\$ 22,307,093	\$ 897,186	\$ -	\$ 23,204,279

Depreciation was charged to operations as follows:

Primary Roads	\$ 382,325
Local roads	407,699
Equipment	477,992
Administration	8,317
Total	<u>\$ 1,276,333</u>

NOTE 7 - LONG-TERM DEBT

Following is a summary of pertinent information concerning the County's long-term debt:

Outstanding Debt Descriptions:

	<u>Total</u>	<u>Total</u>
Elk Rapids Hydroelectric Revenue Bonds	<u>220,000</u>	<u>220,000</u>
Totals	<u>\$ 220,000</u>	<u>\$ 220,000</u>

Changes in Long-Term Debt

	<u>General Long Term Debt Account Group</u>	
	<u>Debt Payable</u>	
	<u>Proprietary</u>	<u>Total</u>
January 1, 2005	\$ 245,000	\$ 245,000
Additions	-0-	-0-
Reductions	<u>25,000</u>	<u>25,000</u>
December 31, 2005	<u>\$ 220,000</u>	<u>\$ 220,000</u>

ANTRIM COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005

NOTE 7 - LONG-TERM DEBT (CONTINUED)

GENERAL GOVERNMENT

PROPRIETARY - 100% TAX PAYMENT FUND

Description - Enterprise - 100% Tax Payment Fund general obligation tax notes are issued by the County to purchase delinquent taxes and special assessments except taxes on personal property, due and payable to the taxing units in the County. No borrowing occurred during 2005. The Tax Payment Fund self funded the tax payoff.

ENTERPRISE - ELK RAPIDS HYDROELECTRIC PLANT

Description - Enterprise - Elk Rapids Hydroelectric FmHA revenue bonds were issued to the County to provide for the rehabilitation and improvement of the Elk Rapids Hydroelectric Plant. The bonds are titled Electric Utility System Revenue Refinancing Bonds. The balance at December 31, 2005 was \$220,000.

Security - The revenue bonds are secured by Operating revenues provided for in a certain agreement between Antrim County, Michigan and the Traverse City Light and Power Board.

Interest Rate - 6.6 - 7.55% payable November 1 and May 1 of each year.

Annual Debt Service Requirements:

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>Other</u>	<u>Total</u>
Principal \$	30,000	\$ 25,000	\$ 25,000	\$ 30,000	\$ 35,000	\$ 75,000	\$ 220,000
Interest	<u>10,618</u>	<u>9,208</u>	<u>8,020</u>	<u>6,820</u>	<u>5,350</u>	<u>160</u>	<u>40,176</u>
Total	<u>\$ 40,618</u>	<u>\$ 34,208</u>	<u>\$ 33,020</u>	<u>\$ 36,820</u>	<u>\$ 40,350</u>	<u>\$ 75,160</u>	<u>\$ 260,176</u>

DISCRETE COMPONENT UNIT

The long-term debt of the Road Commission is summarized as follows:

	<u>Balance</u> <u>01/01/2005</u>	<u>Additions</u> <u>(Reductions)</u>	<u>Balance</u> <u>12/31/2005</u>
Bonds Payable	<u>\$ 810,000</u>	<u>\$ (195,000)</u>	<u>\$ 615,000</u>
Total	<u>\$ 810,000</u>	<u>\$ (195,000)</u>	<u>\$ 615,000</u>

The annual debt service requirements to maturity for bonds payable as of December 31, 2005, is summarized as follows:

The Michigan Transportation Fund Notes, Series 2005 were used for the purpose of renovation and reconstruction of the Mancelona garage.

Michigan Transportation Fund Notes, Series 2005

Date of Issue: July 1, 2005

Amount: \$ 995,000

ANTRIM COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005

NOTE 7 - LONG-TERM DEBT (CONTINUED)

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal</u>	<u>Interest June 1</u>	<u>Interest December 1</u>	<u>Total</u>
1.50%	06/01/06	\$ 200,000	\$ 5,343	\$ 3,842	\$ 209,185
1.70%	06/01/07	\$ 205,000	\$ 3,843	\$ 2,100	\$ 210,943
2.00%	06/01/08	\$ 210,000	\$ 2,100	\$ -0-	\$ 212,100
		<u>\$ 615,000</u>	<u>\$ 11,286</u>	<u>\$ 5,942</u>	<u>\$ 632,228</u>

NOTE 8 - PENSION PLANS

PRIMARY GOVERNMENT

Plan Description - Antrim County participates in a defined benefit retirement plan administered by the Municipal Employee's Retirement System (MERS). The plan covers substantially all full-time employees.

The Municipal Employees Retirement System of Michigan (MERS) is a multiple-employer statewide public employee retirement plan created by the State of Michigan to provide retirement, survivor and disability benefits, on a voluntary basis to the State's local government employees in the most efficient and effective manner possible. As such, MERS is a non-profit entity that has the responsibility of administering the law in accordance with the expressed intent of the Legislature and bears a fiduciary obligation to the State of Michigan, the taxpayers and the public employees who are its beneficiaries.

The passage of HB-5525/Act No. 220, with enactment on May 28, 1996, allowed the members of MERS to vote on and determine if MERS should become an independent public corporation. The vote resulted in approval to become independent of State control and MERS began to operate as an independent public corporation effective August 15, 1996. MERS issues a financial report, available to the public, which includes financial statements and required supplementary information for the system. A copy of the report may be obtained by writing to MERS at 447 N. Canal Road, Lansing, Michigan 48917.

All full time County employees are eligible to participate in the system. Benefits vest after ten years of service. General County employees who retire at or after age 60 with 10 years credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.5 percent of the member's 5-year final average compensation. The system also provides death and disability benefits that are established by State Statute.

Participating County employees are not required to contribute to the system. The County is required to contribute the amounts necessary to fund the Michigan Municipal Employees Retirement System using the actuarial basis specified by statute.

Actuarial Accrued Liability - The actuarial accrued liability was determined as part of an actuarial valuation of the plan as of December 31, 1997. Significant actuarial assumptions used in determining the investment of present and future assets of 8.0%, (a) inflation, and (b) additional projected salary increases of 0.0% to 4.5% per year, depending on age, attributable to seniority/merit and (c) the assumption that benefits will increase 2.5% annually after retirement.

All entries are based on the actuarial methods and assumption that were used in the December 31, 2004 actuarial valuation to determine the annual employer contribution amounts. The entry age normal actuarial method was used to determine the entries at disclosure.

ANTRIM COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005

NOTE 8 - PENSION PLANS (CONTINUED)

GASB 25 INFORMATION (as of 12/31/04)

Actuarial Accrued Liability:	
Retirees and beneficiaries currently receiving benefits	\$ 5,799,953
Terminated employees not yet receiving benefits	1,263,633
Non-vested terminated employees(pending refunds of member contributions)	34,933
Current employees:	
Accumulated employee contributions	
including allocated investment income	689,338
Employer financed	<u>12,222,169</u>
Total Actuarial accrued liability	20,010,026
Net Assets Available for Benefits, at actuarial value	
(Market Value is \$16,172,495)	<u>16,568,156</u>
Unfunded (over funded) actuarial accrued liability	<u>\$ 3,441,870</u>

GASB 27 INFORMATION (as of 12/31/04)

Fiscal year beginning	January 1, 2006
Annual required contribution (ARC)	\$ 830,472
Amortization factor used – Underfunded liabilities (30 years)	0.053632
Underfunded liabilities (24 years)	0.061616
Underfunded liabilities (20 year level \$)	0.085453
Overfunded liabilities (10 years)	0.119963

Contributions Required and Contributions Made

MERS funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The normal cost and amortization payment for the fiscal year ended December 31, 2004 were determined using the entry age normal actuarial funding method. Unfunded actuarial accrued liabilities, if any, were amortized as a level percent of payroll over a period of 30 years. The following table provides a schedule of contribution amounts and percentages for recent years.

Annual Pension Cost

<u>Year Ended December 31, ____</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage Of APC Contributed</u>	<u>Net Pension Obligation</u>
2002	\$ 461,947	100%	\$ -0-
2003	529,177	100%	-0-
2004	674,928	100%	-0-

The County was required to contribute \$838,464 for the year ended December 31, 2005. Payments were based on contribution calculations made by MERS. This amount includes all departments of the County – General, sheriff, Medical Care and Transportation.

ANTRIM COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005

NOTE 8 - PENSION PLANS (CONTINUED)

Actuarial Valuation Date December 31	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % Of Covered Payroll
2002	\$13,506,106	\$17,011,046	\$ 3,504,940	79%	\$ 8,329,260	42%
2003	15,191,227	18,789,441	3,598,214	81%	9,016,687	40%
2004	16,568,156	20,010,026	3,441,870	83%	9,054,278	38%

For actuarial valuation purposes, the actuarial value of assets is determined on the basis of a calculation method that assumes the fund earns the expected rate of return (8%), and includes an adjustment to reflect market value.

Actuarial assumptions for MERS valuations were revised for the 1993, 1997, 2000, and 2004 valuations. The funding method was changed to entry age normal for the 1993 valuation.

DISCRETE COMPONENT UNIT

Plan Description - Antrim County Road Commission participates in a defined benefit retirement plan administered by the Municipal Employee's Retirement System (MERS). The plan covers substantially all full-time employees.

The Municipal Employees Retirement System of Michigan (MERS) is a multiple-employer statewide public employee retirement plan created by the State of Michigan to provide retirement, survivor and disability benefits, on a voluntary basis to the State's local government employees in the most efficient and effective manner possible. As such, MERS is a non-profit entity that has the responsibility of administering the law in accordance with the expressed intent of the Legislature and bears a fiduciary obligation to the State of Michigan, the taxpayers and the public employees who are its beneficiaries.

The passage of HB-5525/Act No. 220, with enactment on May 28, 1996, allowed the members of MERS to vote on and determine if MERS should become an independent public corporation. The vote resulted in approval to become independent of State control and MERS began to operate as an independent public corporation effective August 15, 1996. MERS issues a financial report, available to the public, which includes financial statements and required supplementary information for the system. A copy of the report may be obtained by writing to MERS at 447 N. Canal Road, Lansing, Michigan 48917. The most recent report for which actuarial data was available was for the fiscal year ended December 31, 2004.

All full time County Road union and administrative employees are eligible to participate in the system. Benefits vest after ten years of service. Union employees who retire at or after age 60 with 10 years credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.0 percent of the member's 5-year final average compensation per year of service. Administrative employees who retire at or after age 60 with 10 years credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.5 percent of the member's 3-year final average compensation per year of service. The system also provides death and disability benefits that are established by State Statute.

Participating County Road employees are not required to contribute to the system. The County Road is required to contribute the amounts necessary to fund the Michigan Municipal Employees Retirement System using the actuarial basis specified by statute.

ANTRIM COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005

NOTE 8 - PENSION PLANS (CONTINUED)

Actuarial Accrued Liability - The actuarial accrued liability was determined as part of an actuarial valuation of the plan as of December 31, 2004. Significant actuarial assumptions used in determining the investment of present and future assets of 8.0%, (a) inflation, and (b) additional projected salary increases of 0.0% to 4.2% per year, depending on age, attributable to seniority/merit and (c) the assumption that benefits will increase 2.5% annually after retirement.

All entries are based on the actuarial methods and assumption that were used in the December 31, 2004 actuarial valuation to determine the annual employer contribution amounts. the entry age normal actuarial method was used to determine the entries at disclosure.

GASB 25 INFORMATION (as of 12/31/04)

Actuarial Accrued Liability:	
Retirees and beneficiaries currently receiving benefits	\$ 6,051,535
Terminated employees not yet receiving benefits	-0-
Current employees:	
Accumulated employee contributions including allocated investment income	165,182
Employer financed	<u>3,304,719</u>
Total Actuarial accrued liability	9,521,436
Net Assets Available for Benefits, at actuarial value (Market Value is 6,122,930)	<u>6,272,727</u>
Unfunded (over funded) actuarial accrued liability	<u><u>\$ 3,248,709</u></u>

GASB 27 INFORMATION (as of 12/31/04)

Fiscal year beginning	January 1, 2006
Annual required contribution (ARC)	\$ 304,116
Amortization factor used	0.053632

Contributions Required and Contributions Made

MERS funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The normal cost and amortization payment for the fiscal year ended December 31, 2004 were determined using the entry age normal actuarial funding method. Unfunded actuarial accrued liabilities, if any, were amortized as a level percent of payroll over a period of 30 years. The following table provides a schedule of contribution amounts and percentages for recent years.

<u>Annual Pension Cost</u>			
<u>Year Ended December 31,</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage Of APC Contributed</u>	<u>Net Pension Obligation</u>
2002	\$ 194,981	100%	-0-
2003	202,566	100%	-0-
2004	232,764	100%	-0-

ANTRIM COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005

NOTE 8 - PENSION PLAN (CONTINUED)

The County Road Commission was required to contribute \$257,808 for the year ended December 31, 2005. Payments were based on contribution calculations made by MERS.

Actuarial Valuation Date December 31	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % Of Covered Payroll
2002	\$ 5,966,187	\$ 8,111,792	\$ 2,145,605	74%	\$ 1,375,388	156.0%
2003	6,135,137	8,581,612	2,446,475	71%	1,473,780	166.0%
2004	6,272,727	9,521,436	3,248,709	66%	1,431,107	227.0%

For actuarial valuation purposes, the actuarial value of assets is determined on the basis of a calculation method that assumes the fund earns the expected rate of return (8%), and includes an adjustment to reflect market value.

Actuarial assumptions for MERS valuations were revised for the 1993, 1997, 2000, and 2004 valuations. The funding method was changed to entry age normal for the 1993 valuation.

NOTE 9 - DEFERRED COMPENSATION PLAN

Antrim County and its component unit - Road Commission offer its employees a deferred compensation plan created in accordance with IRC Section 457. The plan, available to all county employees, permits them to defer a portion of their current salary until future years. The deferred compensation is not available to the employees until termination, retirement, death, or unforeseeable emergency.

In the past, the County was custodian of the assets in the plan and recorded the plan's activity in accordance with GASB requirements in the financial statements. In 1999 GASB Statement 32 was implemented and custodianship of the plan was transferred to an independent third party. Balances for deferred compensation are no longer reported in the financial statements.

NOTE 10 - POST EMPLOYMENT HEALTH CARE BENEFITS

PRIMARY GOVERNMENT - In addition to pension benefits described in note G the County employment agreement with Sheriff department employees provides for certain post employment health care coverage. For Sheriff Department employees retiring after 1/1/91 with a combined age and service of at least 70, \$125 per month will be paid by the County towards health care coverage. This benefit expires 10 years after retirement date. During 2005 four employees had retired who were eligible for these benefits. The cost of these benefits is recognized when paid. For 2005, those costs approximated \$6,000. No other general County employees are eligible for these benefits.

DISCRETE COMPONENT UNIT - The Road Commission provides post retirement health care benefits to all employees who retire from the Road Commission. Any employee retiring after 7/1/89, who has completed at least ten years of service and is eligible for retirement will have \$150 per month contributed towards the employee and spouse coverage. Effective for retirees retiring after July 1, 1999 the Commission contribution will be \$200 per month and effective July 1, 2002 \$250 per month. There were 24 employees receiving benefits with an approximate annual cost of \$46,800

ANTRIM COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005

NOTE 11- RISK MANAGEMENT

PRIMARY GOVERNMENT - The County is exposed to risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The government manages its risk exposures and provides certain employee benefits through a combination of self-insurance programs, risk management pools and commercial insurance and excess coverage policies. Following is a summary of these self-insurance programs and risk management pool participation.

The County participates in the Michigan Municipal Risk Management Authority (MMRMA) for general and automobile liability, motor vehicle physical damage and property damage coverage. The MMRMA was established in January 1980, pursuant to laws of the State of Michigan which authorize local units of government to jointly exercise any power, privilege or authority which each might exercise separately. The purpose of the Authority is to provide cooperative and comprehensive risk financing and risk control services. The MMRMA provides risk management, underwriting, reinsurance and claim review and processing services for all member governments pursuant to its charter.

The government makes annual contributions to MMRMA based on actuarial studies using historical data and insurance industry statistics. These contributions are paid from the general fund (i.e., the Insurance Fund) using premiums paid into it by other funds of the government. Such contributions as received by MMRMA are allocated between its general and member retention funds. Economic resources in the MMRMA's general fund are expended for reinsurance coverage, claim payments and certain general and administrative costs. The County is a State pool member and has deductibles that differ for each type of coverage.

Employee Benefits-Commercial Insurance Provider-Workers' Compensation

The County is a member of the Michigan Counties Workers' Compensation Fund. Full statutory coverage for worker's disability compensation and employers' liability is guaranteed by the fund for Michigan operations through authority granted by the State of Michigan under Chapter 6, Section 418.611.

At December 31, 2005, there were no claims that exceeded insurance coverage. The County had no significant reduction in insurance coverage from previous years.

ANTRIM COUNTY TRANSPORTATION

This enterprise fund is covered under the County policies for all risk except that associated with the vehicle fleet. That risk is covered by membership in the Michigan Transit Pool which is an insurance pool established pursuant to the laws of the State of Michigan

MEADOW BROOK MEDICAL CARE FACILITY

The Facility is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Facility has purchased commercial insurance workers' compensation claims, and participates in the County's insurance plan with the Michigan Municipal Risk Management risk pool for claims relating to general and auto liability, including malpractice, auto physical damage and property loss claims.

The Michigan Municipal Risk Management Authority risk pool program operates as a claims servicing pool for amounts up to member retention limits, and operates as a common risk-sharing management program for losses in excess of member retention amounts.

ANTRIM COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005

NOTE 11- RISK MANAGEMENT (CONTINUED)

DISCRETE COMPONENT UNIT - Antrim County Road Commission is a member of the Michigan County Road Commission Self-Insurance Pool established pursuant to the laws of the State of Michigan that authorize contracts between Municipal Corporations (inter-local agreements) to form group self-insurance pools.

The Pool was established for the purpose of making a self-insurance pooling program available that includes, but is not limited to, general liability coverage, vehicle liability coverage, claims administration, and risk management and loss control services pursuant to Michigan Public Act 138 of 1982.

The Antrim County Road Commission pays an annual premium to the Pool for property (buildings and contents) coverage, vehicle and equipment liability, bodily injury, property damage and personal injury liability. The Pool agreement provides that it shall be self-sustaining through member premiums and will purchase both specific and aggregate stop-loss insurance based upon limits determined by the Pool Board of Directors.

The Road Commission is also self-insured for worker's compensation as a member of the County Road Association Self Insurance Fund.

NOTE 12 – LITIGATION

In the normal course of its activities, the County is a party to various legal actions and subject to certain asserted claims and assessments. Although other actions have been brought, the County has not experienced any additional significant losses or costs. It is the County's opinion that the outcome of any pending actions will not have a material effect on the County's financial position or results of operations.

NOTE 13 – REVENUE SHARING RESERVE FUND / TAX LEVY

During 2004 the State of Michigan enacted legislation creating the Revenue Sharing Reserve Fund. All Michigan counties are required to set up the fund which will be used to accumulate an additional tax levy which will, over a three year period amount to the 2004 total general operating levy. The county tax levy was previously collected between December and February and will, over the three year period, be switched to July through September. The funds can be transferred annually for general operational use based upon a State mandated amount. The effect is to collect one year's tax in advance of previous collections. These funds will be used to offset the loss of State Revenue Sharing. In effect, a previous State obligation has been transferred to the local taxpayers.

The fund recorded taxes as of December 31, 2005 as revenue, in accordance with State mandated guidelines, which is a change in the way property taxes have previously been recognized. These financial statements include County general operating taxes equal to 1 1/3 years levy which reports \$2,278,873 more taxes than if the previous method of recording taxes had been consistently applied.

NOTE 14 – RESTATEMENT OF CAPITAL ASSETS

Capital assets as of December 31, 2004 have been restated to correct prior year depreciation amounts.

Net Capital Assets December 31, 2004 as previously reported	\$ 13,969,073
Restatement	(358,062)
Net Capital Assets January 1, 2005	<u>\$ 13,611,011</u>

ANTRIM COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005

NOTE 15 – SEGMENT INFORMATION

The government issued revenue bonds to finance its hydroelectric project. The revenue bonds are secured by the operating revenues of the Elk Rapids Hydroelectric Fund provided for in a certain agreement between Antrim County, Michigan and the Traverse City Light and Power board. The activity is recorded in a major enterprise fund. Condensed financial information follows:

Condensed Statement of Net Assets

Assets	
Current Assets	\$ 232,973
Capital Assets	<u>228,426</u>
Total Assets	<u>461,399</u>
Liabilities	
Current Liabilities (including current portion of long-term debt)	31,680
Non current Liabilities	<u>190,000</u>
Total Liabilities	<u>221,680</u>
Net Assets	
Invested in Capital Assets(net of related debt)	8,426
Unrestricted	<u>231,293</u>
Total Net Assets	<u>\$ 239,719</u>

Condensed Statement of Revenue, Expenses, and Changes in Net Assets

Charges for Services(pledged against bonds)	\$ 98,047
Depreciation Expense	(25,421)
Other Operating Expenses	<u>(29,317)</u>
Operating Income	43,309
Nonoperating Revenue (Expense)	
Investment Earnings	5,125
Interest Expense	<u>(11,780)</u>
Total Nonoperating Revenue/Expense	<u>(6,655)</u>
Changes in Net Assets	36,654
Beginning Net Assets	<u>203,065</u>
Ending Net Assets	<u>\$ 239,719</u>

Condensed Statement of Cash Flows

Net Cash Provided by (Used in)	
Operating Activities	\$ 60,545
Capital and Related Financing Activities	(36,780)
Investing Activities	<u>5,125</u>
Net Increase (Decrease)	28,890
Beginning Cash and Cash Equivalents	<u>182,494</u>
Ending Cash and Cash Equivalents	<u>\$ 211,384</u>

REQUIRED SUPPLEMENTAL INFORMATION

ANTRIM COUNTY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005

	BUDGETED AMOUNT		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
REVENUES				
Taxes and Penalties	\$ 7,379,612	\$ 10,871,437	\$ 7,206,106	\$ (3,665,331)
Licenses and Permits	154,100	165,125	151,291	(13,834)
Intergovernmental Revenue:				
Federal	59,000	87,000	71,215	(15,785)
State	714,602	797,646	715,992	(81,654)
Charges for Services	1,314,135	1,618,560	1,398,385	(220,175)
Fines and Forfeits	10,000	10,000	3,150	(6,850)
Interest and Rents	270,000	335,300	327,797	(7,503)
Other Revenue	194,660	267,535	231,504	(36,031)
TOTAL REVENUES	10,096,109	14,152,603	10,105,440	(4,047,163)
EXPENDITURES				
Current				
Legislative	150,859	157,196	148,757	8,439
Judicial	1,722,833	1,772,521	1,650,427	122,094
General Government	3,636,878	3,787,577	3,187,704	599,873
Public Safety	2,975,212	3,051,916	2,879,461	172,455
Public Works	5,613	5,616	1,239	4,377
Health and Welfare	522,206	539,152	527,002	12,150
Community/Economic Development	291,809	297,974	258,916	39,058
Recreation and Culture	255,677	260,400	244,792	15,608
Capital Outlay	95,233	136,838	130,721	6,117
TOTAL EXPENDITURES	9,656,320	10,009,190	9,029,019	980,171
REVENUES OVER (UNDER) EXPENDITURES	439,789	4,143,413	1,076,421	(3,066,992)
OTHER FINANCING SOURCES (USES)				
Transfers In	355,325	357,709	8,184	(349,525)
Transfers (Out)	(988,583)	(1,013,983)	(878,684)	135,299
TOTAL OTHER FINANCING SOURCES (USES)	(633,258)	(656,274)	(870,500)	(214,226)
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(193,469)	3,487,139	205,921	(3,281,218)
FUND BALANCES, BEGINNING OF YEAR	800,000	970,218	1,640,203	669,985
FUND BALANCES, END OF YEAR	\$ 606,531	\$ 4,457,357	\$ 1,846,124	\$ (2,611,233)

See Notes to Financial Statements

ANTRIM COUNTY
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER SOURCES--BY SOURCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005

	BUDGETED AMOUNT		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		OVER (UNDER)
TAXES AND PENALTIES				
Current Property Taxes	\$ 7,335,112	\$ 10,189,612	\$ 6,608,404	\$ (3,581,208)
Other	44,500	681,825	597,702	(84,123)
TOTAL TAXES AND PENALTIES	7,379,612	10,871,437	7,206,106	(3,665,331)
LICENSES AND PERMITS				
Dog and Kennel Licenses	10,900	10,400	9,003	(1,397)
Gun Permits	4,900	6,600	4,914	(1,686)
Marriage Licenses	1,000	1,200	995	(205)
Park Camping Permits and Fees	105,300	114,925	113,060	(1,865)
Earthchange	32,000	32,000	23,319	(8,681)
TOTAL LICENSES AND PERMITS	154,100	165,125	151,291	(13,834)
FEDERAL GRANTS				
Emergency Services	19,000	19,000	10,113	(8,887)
Prosecuting Attorney Cooperative Reimbursement	40,000	68,000	61,102	(6,898)
TOTAL FEDERAL GRANTS	59,000	87,000	71,215	(15,785)
STATE GRANTS				
Probate Judges Salary	184,000	184,700	147,528	(37,172)
Salary Standardization	58,500	58,500	41,700	(16,800)
Court Equity Distribution	140,000	132,808	128,649	(4,159)
Judicial Technology Improvement	-	1,971	1,971	-
Food Stamp Fraud	500	500	-	(500)
Secondary Road Patrol/Marine	75,500	87,100	64,106	(22,994)
Township Liquor Licenses	8,000	9,500	9,233	(267)
Probate Public Guardians	-	6,000	1,500	(4,500)
Drug Case	-	600	466	(134)
Voters Registration	500	500	401	(99)
Juvenile Officer	30,000	30,000	27,317	(2,683)
Substance Abuse Testing	14,000	14,000	13,060	(940)
Cigarette Tax	14,449	14,449	14,446	(3)
MDOC Diverted Felons	1,000	5,000	4,588	(412)
Convention Facilities	128,153	130,353	130,311	(42)
Survey and Remonumentation	15,000	63,000	81,653	18,653
Juror Compensation Reimbursement	-	13,665	13,363	(302)
Victim's Rights	45,000	45,000	35,700	(9,300)
TOTAL STATE GRANTS	714,602	797,646	715,992	(81,654)

See Notes to Financial Statements

ANTRIM COUNTY
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER SOURCES--BY SOURCE
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2005

	BUDGETED AMOUNT		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		OVER (UNDER)
CHARGES FOR SERVICES				
Circuit/Family Court Costs	\$ 39,000	\$ 39,000	\$ 28,841	\$ (10,159)
Circuit/Family Court Fees	38,925	42,025	37,118	(4,907)
District Court Costs	225,000	317,000	307,558	(9,442)
District Court Bond Fees	10,000	10,000	5,567	(4,433)
District Court Oversight Fees	3,500	28,725	26,636	(2,089)
District Court Civil Fees	17,500	17,500	17,238	(262)
District Court Ordinance Fees	60,000	60,000	54,544	(5,456)
Probate Court Services	10,500	11,300	8,521	(2,779)
Clerk - Certified Copies	7,500	7,500	7,358	(142)
Clerk - Passports	6,000	8,000	7,890	(110)
Clerk - Assumed Names	6,000	6,000	4,190	(1,810)
Clerk - Notary Fees	160	660	648	(12)
Clerk - Current Services	5,600	7,050	5,855	(1,195)
Child Care - Collection Fee	10,000	27,500	24,872	(2,628)
Abstract Services	72,600	124,400	97,252	(27,148)
Copying Services	10,200	14,400	13,793	(607)
Treasurer Services	3,050	13,250	10,219	(3,031)
Register of Deeds Services	333,450	333,050	202,470	(130,580)
Register Transfer Tax	165,000	205,000	267,643	62,643
Sheriff Services	45,250	74,150	57,303	(16,847)
Animal Control	4,700	7,300	6,185	(1,115)
Airport - Fuel Sales	200,000	200,000	146,060	(53,940)
Airport - Hangar Rent	21,000	31,600	30,931	(669)
Airport - Current Services	5,650	9,850	7,755	(2,095)
Jail - Drug Testing/Medical	12,500	22,250	21,238	(1,012)
Miscellaneous	1,050	1,050	700	(350)
TOTAL CHARGES FOR SERVICES	1,314,135	1,618,560	1,398,385	(220,175)
FINES & FORFEITURES				
District Bond Forfeit	10,000	10,000	3,150	(6,850)
TOTAL FINES AND FORFEITURES	10,000	10,000	3,150	(6,850)
INTEREST EARNED	70,000	105,300	105,284	(16)
RENTS	200,000	230,000	222,513	(7,487)
OTHER REVENUE				
Prisoner Board	32,000	32,000	16,823	(15,177)
Township and Village Computer	60,000	60,000	54,043	(5,957)
Miscellaneous Refunds and Reimbursements	80,660	130,535	118,043	(12,492)
Insurance	22,000	45,000	42,595	(2,405)
TOTAL OTHER REVENUE	194,660	267,535	231,504	(36,031)

(Continued)

See Notes to Financial Statements

ANTRIM COUNTY
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER SOURCES--BY SOURCE
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2005

	BUDGETED AMOUNT		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		OVER (UNDER)
TOTAL OTHER REVENUE	\$ 10,096,109	\$ 14,152,603	\$ 10,105,440	\$ (4,047,163)
OTHER FINANCING SOURCES				
Operating Transfers In:				
Other Funds	350,000	350,000	-	(350,000)
Capital Outlay Reserve	-	3,000	3,000	-
Internet	-	2,209	2,007	(202)
Meadowview Senior Housing	2,500	2,500	2,500	-
Emergency Services Grant 02-03	-	-	677	677
Grass River	2,825	-	-	-
TOTAL OTHER FINANCING SOURCES	355,325	357,709	8,184	(349,525)
TOTAL REVENUES AND OTHER SOURCES	\$ 10,451,434	\$ 14,510,312	\$ 10,113,624	\$ (4,396,688)

(Concluded)

See Notes to Financial Statements

ANTRIM COUNTY
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER USES--BY ACTIVITY
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005

	BUDGETED AMOUNT		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		(OVER) UNDER
LEGISLATIVE				
Board of Commissioners	\$ 150,859	\$ 157,196	\$ 148,757	\$ 8,439
TOTAL LEGISLATIVE	150,859	157,196	148,757	8,439
JUDICIAL				
Circuit Court	345,920	345,920	324,074	21,846
Family Court	405,579	412,083	396,424	15,659
Circuit Court Probation	800	4,300	3,177	1,123
District Court	515,207	551,457	493,995	57,462
Friend of Court	70,000	70,000	68,491	1,509
Probate Court	216,213	216,213	211,372	4,841
Jury Commission	5,750	6,250	5,843	407
Insurance	67,206	70,739	62,741	7,998
Fringe Benefits	96,158	95,559	84,310	11,249
TOTAL JUDICIAL	1,722,833	1,772,521	1,650,427	122,094
GENERAL GOVERNMENT				
Budget/Accounting Services	53,922	53,847	46,042	7,805
Clerk	190,154	195,932	191,613	4,319
Communications Department	140,250	150,250	135,613	14,637
Computer Department	166,100	210,554	169,579	40,975
Victims' Rights	50,188	51,363	48,763	2,600
Prosecuting Attorney Child Support IVD	50,936	50,936	46,302	4,634
Purchasing	39,563	52,662	43,369	9,293
Microfilm	16,050	18,050	12,647	5,403
Treasurer	176,661	178,013	160,079	17,934
Equalization	148,518	150,803	145,982	4,821
MSU Extension	96,143	96,143	92,285	3,858
Elections	17,300	26,500	20,839	5,661
Grove Street Annex	13,500	13,500	9,730	3,770
'05 Courthouse	79,488	79,488	78,350	1,138
County Building and Grounds	267,379	268,715	261,774	6,941
Prosecuting Attorney	295,392	307,902	293,044	14,858
Register of Deeds	137,117	138,833	125,397	13,436
Plat Board	250	250	-	250
Drain Commissioner	9,901	10,122	8,932	1,190
Abstract	82,111	86,856	78,905	7,951
Survey and Remonumentation	30,000	91,800	84,339	7,461
Airport	305,954	323,725	318,185	5,540
Insurance	108,861	114,583	101,628	12,955
Fringe Benefits	742,774	738,148	651,253	86,895
Services	375,000	325,157	22,688	302,469
Other	43,366	53,445	40,366	13,079
TOTAL GENERAL GOVERNMENT	3,636,878	3,787,577	3,187,704	599,873

(Continued)

See Notes to Financial Statements

ANTRIM COUNTY
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER USES--BY ACTIVITY
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2005

	BUDGETED AMOUNT		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		(OVER) UNDER
PUBLIC SAFETY				
Sheriff	\$ 1,313,853	\$ 1,327,195	\$ 1,296,960	\$ 30,235
Marine Safety	81,150	81,150	79,247	1,903
Sheriff Secondary Road Patrol	136,726	182,122	176,096	6,026
Jail	332,162	337,956	328,725	9,231
Emergency Services	41,512	42,712	39,101	3,611
Gun Board	-	300	255	45
Animal Control	101,651	107,337	90,144	17,193
Insurance	93,950	98,889	87,708	11,181
Fringe Benefits	795,208	790,255	697,225	93,030
Other	79,000	84,000	84,000	-
TOTAL PUBLIC SAFETY	2,975,212	3,051,916	2,879,461	172,455
PUBLIC WORKS				
Dams	5,613	5,616	1,239	4,377
TOTAL PUBLIC WORKS	5,613	5,616	1,239	4,377
HEALTH AND WELFARE				
Health Department	448,938	463,818	443,526	20,292
Agency on Aging	3,819	3,819	3,819	-
Welfare	13,000	13,000	10,038	2,962
Veterans' Affairs	17,603	18,619	17,225	1,394
Housing	-	-	17,087	(17,087)
Insurance	21,973	23,128	20,513	2,615
Fringe Benefits	16,873	16,768	14,794	1,974
TOTAL HEALTH AND WELFARE	522,206	539,152	527,002	12,150
COMMUNITY/ECONOMIC DEVELOPMENT				
Planner/Coordinator	154,903	161,112	149,361	11,751
Planning Commission	23,250	23,250	11,240	12,010
Resource Recovery	25,550	25,550	22,641	2,909
EDC	3,500	3,500	1,026	2,474
Insurance	8,224	8,656	7,678	978
Fringe Benefits	76,382	75,906	66,970	8,936
TOTAL COMMUNITY/ECONOMIC DEVELOPMENT	291,809	297,974	258,916	39,058
RECREATION AND CULTURE				
Parks Commission	7,250	7,250	5,334	1,916
Parks	171,436	175,011	171,337	3,674
Parks - Elk Rapids	8,952	9,962	6,869	3,093
Insurance	8,601	9,053	8,029	1,024
Fringe Benefits	50,438	50,124	44,223	5,901
Other	9,000	9,000	9,000	-
TOTAL RECREATION AND CULTURE	255,677	260,400	244,792	15,608

(Continued)

See Notes to Financial Statements

ANTRIM COUNTY
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER USES--BY ACTIVITY
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2005

	BUDGETED AMOUNT		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		(OVER) UNDER
CAPITAL OUTLAY	\$ 95,233	\$ 136,838	\$ 130,721	\$ 6,117
TOTAL EXPENDITURES	9,656,320	10,009,190	9,029,019	980,171
OPERATING TRANSFERS				
Grass River	20,650	26,050	26,050	-
Law Library	20,000	20,000	20,000	-
Road Patrol	438,933	438,933	438,933	-
Grant Match	5,000	5,000	-	5,000
Snowmobile Fund	6,880	6,880	6,880	-
Child Care	390,120	390,120	275,000	115,120
Veterans Relief	40,000	40,000	25,000	15,000
Commission on Aging	-	20,000	20,000	-
County Buildings and Structures	5,000	5,000	4,821	179
Transportation	62,000	62,000	62,000	-
TOTAL OPERATING TRANSFERS	988,583	1,013,983	878,684	135,299
TOTAL EXPENDITURES AND OPERATING TRANSFERS	\$ 10,644,903	\$ 11,023,173	\$ 9,907,703	\$ 1,115,470

(Concluded)

See Notes to Financial Statements

ANTRIM COUNTY
REVENUE SHARING RESERVE
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Taxes	\$ -	\$ 2,278,873	\$ 2,278,873	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenue				
Federal	-	55,000	-	(55,000)
State	-	-	-	-
Other Local Units	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeits	-	-	-	-
Interest and Rents	-	30,000	33,669	3,669
Other Revenue	-	1,000	-	(1,000)
TOTAL REVENUES	-	2,364,873	2,312,542	(52,331)
EXPENDITURES				
Judicial	-	-	-	-
General Government	-	1,000	-	1,000
Public Safety	-	-	-	-
Health and Welfare	-	-	-	-
Recreation and Cultural	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and Other Charges	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	-	1,000	-	1,000
REVENUES OVER (UNDER) EXPENDITURES	-	2,363,873	2,312,542	(51,331)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers (Out)	-	(388,526)	(388,526)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	(388,526)	(388,526)	-
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	1,975,347	1,924,016	(51,331)
FUND BALANCES, BEGINNING OF YEAR	-	2,163,132	2,163,132	-
FUND BALANCES, END OF YEAR	\$ -	\$ 4,138,479	\$ 4,087,148	\$ (51,331)

See Notes to Financial Statements

SUPPLEMENTAL INFORMATION

ANTRIM COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2005

	SOLID WASTE RESERVE FUND	VICTIMS' RIGHTS	CAPITAL OUTLAY RESERVE	DAMS RESERVE
ASSETS				
Cash	\$ 111,161	\$ 8,091	\$ 57,130	\$ 622,694
Investments	-	-	-	-
Receivables:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Mortgages	-	-	-	-
Due From Other Funds	-	-	-	-
Due From Other Governmental Units	-	-	-	-
TOTAL ASSETS	111,161	8,091	57,130	622,694
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-
Due to Other Funds	-	-	-	-
Due to Other Governmental Units	-	-	-	-
Advances From Other Governmental Units	-	-	-	-
Deferred Revenue	-	-	-	-
TOTAL LIABILITIES	-	-	-	-
FUND BALANCE				
Reserved	-	8,091	-	-
Unreserved	111,161	-	57,130	622,694
TOTAL FUND BALANCES	111,161	8,091	57,130	622,694
TOTAL LIABILITIES AND FUND BALANCES	\$ 111,161	\$ 8,091	\$ 57,130	\$ 622,694

See Notes to Financial Statements

SPECIAL REVENUE FUNDS						
GAS AND OIL ROYALTIES RESERVE FUND	BARNES PARK GRANT RESERVE	GRANT MATCH RESERVE FUND	AIRPORT GRANT MATCH	AIRPORT SPECIAL PROJECTS FUND	FRIEND OF COURT FUND	PROSECUTING ATTORNEY LEGAL
\$ 40,027	\$ 19	\$ 66,009	\$ -	\$ -	\$ -	\$ 525
-	-	-	-	-	-	-
-	-	-	-	-	-	-
954	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
40,981	19	66,009	-	-	-	525
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
40,981	19	66,009	-	-	-	525
40,981	19	66,009	-	-	-	525
\$ 40,981	\$ 19	\$ 66,009	\$ -	\$ -	\$ -	\$ 525

(Continued)

See Notes to Financial Statements

ANTRIM COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2005

	BELLAIRE DAM FUND	INTERNET ACCESS FUND	GRASS RIVER FUND	ANIMAL CONTROL DONATIONS
ASSETS				
Cash	\$ 31,552	\$ -	\$ 8,061	\$ 10,638
Investments	-	-	-	-
Receivables:				
Taxes	-	-	-	-
Accounts	-	-	7,115	-
Mortgages	-	-	-	-
Due From Other Funds	-	-	-	-
Due From Other Governmental Units	-	-	-	-
TOTAL ASSETS	31,552	-	15,176	10,638
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ 632	\$ -
Accrued Liabilities	-	-	1,547	-
Due to Other Funds	-	-	-	-
Due to Other Governmental Units	-	-	-	-
Advances From Other Governmental Units	-	-	-	-
Deferred Revenue	-	-	-	-
TOTAL LIABILITIES	-	-	2,179	-
FUND BALANCE				
Reserved	-	-	-	10,638
Unreserved	31,552	-	12,997	-
TOTAL FUND BALANCES	31,552	-	12,997	10,638
TOTAL LIABILITIES AND FUND BALANCES	\$ 31,552	\$ -	\$ 15,176	\$ 10,638

See Notes to Financial Statements

SPECIAL REVENUE FUNDS						
FORESTRY FUND	CEDAR RIVER OPERATING	ANTRIM CREEK NORCROSS GRANT	ANTRIM CREEK	PARK FUND RAISER	PUBLIC ACCESS BOOK FUND	WETZEL LAKE OPERATING
\$ 146,309	\$ -	\$ 624	\$ 60,461	\$ 556	\$ 998	\$ 2
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
146,309	-	624	60,461	556	998	2
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	1,000	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	1,000	-
-	-	-	-	-	-	-
146,309	-	624	60,461	556	(2)	2
146,309	-	624	60,461	556	(2)	2
\$ 146,309	\$ -	\$ 624	\$ 60,461	\$ 556	\$ 998	\$ 2

(Continued)

See Notes to Financial Statements

ANTRIM COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2005

	BARNES PARK GRANT 04-06	GIS IMPLEMEN- TATION	AIRPORT DONATIONS LANDSCAPING	EDC REVOLVING FUND
ASSETS				
Cash	\$ (43,568)	\$ 14,209	\$ 643	\$ 2,611
Investments	-	-	-	-
Receivables:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Mortgages	-	-	-	-
Due From Other Funds	-	-	-	-
Due From Other Governmental Units	59,048	-	-	-
TOTAL ASSETS	15,480	14,209	643	2,611
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ -	\$ 35	\$ -	\$ -
Accrued Liabilities	-	-	-	-
Due to Other Funds	-	-	-	-
Due to Other Governmental Units	-	-	-	-
Advances From Other Governmental Units	-	-	-	-
Deferred Revenue	-	-	-	-
TOTAL LIABILITIES	-	35	-	-
FUND BALANCE				
Reserved	-	-	-	-
Unreserved	15,480	14,174	643	2,611
TOTAL FUND BALANCES	15,480	14,174	643	2,611
TOTAL LIABILITIES AND FUND BALANCES	\$ 15,480	\$ 14,209	\$ 643	\$ 2,611

See Notes to Financial Statements

SPECIAL REVENUE FUNDS

CONSTRUCTION CODE ENFORCE- MENT	ROAD PATROL	STATE HOMELAND SECURITY	HOMESTEAD PROPERTY TAX EXEMPTION	REGISTER OF DEEDS AUTOMATION FUND	BUDGET STABILIZATION
\$ 19,721	\$ 57,101	\$ -	\$ 34,364	\$ 59,779	\$ 304,627
-	-	-	-	-	271,438
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
19,721	57,101	-	34,364	59,779	576,065
\$ 10,184	\$ 3,835	\$ -	\$ -	\$ -	\$ -
14,454	13,006	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
24,638	16,841	-	-	-	-
(4,917)	-	-	-	59,779	-
-	40,260	-	34,364	-	576,065
(4,917)	40,260	-	34,364	59,779	576,065
\$ 19,721	\$ 57,101	\$ -	\$ 34,364	\$ 59,779	\$ 576,065

See Notes to Financial Statements

ANTRIM COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2005

	911 TRAINING	E-911 OPERATING	E-911 WIRELESS FUND	DRIVING INTOXICATED
ASSETS				
Cash	\$ 5,791	\$ 611,017	\$ 175,923	\$ 56
Investments	-	-	-	-
Receivables:				
Taxes	-	-	-	-
Accounts	-	42,402	-	-
Mortgages	-	-	-	-
Due From Other Funds	-	-	-	-
Due From Other Governmental Units	-	-	25,808	-
TOTAL ASSETS	5,791	653,419	201,731	56
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ 403	\$ 3,091	\$ -	\$ -
Accrued Liabilities	-	16,002	-	-
Due to Other Funds	-	-	-	-
Due to Other Governmental Units	-	-	-	-
Advances From Other Governmental Units	-	-	-	-
Deferred Revenue	-	-	-	-
TOTAL LIABILITIES	403	19,093	-	-
FUND BALANCE				
Reserved	-	634,326	201,731	-
Unreserved	5,388	-	-	56
TOTAL FUND BALANCES	5,388	634,326	201,731	56
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,791	\$ 653,419	\$ 201,731	\$ 56

See Notes to Financial Statements

SPECIAL REVENUE FUNDS

LOCAL CORRECTIONS OFFICER TRAINING	JAIL INMATE PROCEEDS	MICHIGAN JUSTICE TRAINING FUND	LAW LIBRARY FUND	EMERGENCY SERVICES GRANT 2002-03	EMERGENCY SERVICES GRANT
\$ 15,566	\$ 1,623	\$ 622	\$ 6,453	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	5,127	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
15,566	6,750	622	6,453	-	-
\$ -	\$ 78	\$ -	\$ 1,672	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	78	-	1,672	-	-
-	-	-	-	-	-
15,566	6,672	622	4,781	-	-
15,566	6,672	622	4,781	-	-
\$ 15,566	\$ 6,750	\$ 622	\$ 6,453	\$ -	\$ -

(Continued)

See Notes to Financial Statements

ANTRIM COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2005

	HOUSING PROJECT INCOME	EMERGENCY SERVICES TOTAL GRANT	HOUSING 03/04 CDBG GRANT	SNOWMOBILE GRANT
ASSETS				
Cash	\$ 3,719	\$ (55,681)	\$ 5,114	\$ 17,323
Investments	-	-	-	-
Receivables:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Mortgages	1,789,813	-	-	-
Due From Other Funds	-	-	-	-
Due From Other Governmental Units	-	55,681	-	-
TOTAL ASSETS	1,793,532	-	5,114	17,323
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ 271
Accrued Liabilities	-	-	-	-
Due to Other Funds	-	-	-	-
Due to Other Governmental Units	-	-	-	-
Advances From Other Governmental Units	-	-	-	-
Deferred Revenue	1,789,813	-	-	-
TOTAL LIABILITIES	1,789,813	-	-	271
FUND BALANCE				
Reserved	3,719	-	5,114	-
Unreserved	-	-	-	17,052
TOTAL FUND BALANCES	3,719	-	5,114	17,052
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,793,532	\$ -	\$ 5,114	\$ 17,323

See Notes to Financial Statements

SPECIAL REVENUE FUNDS					
HOUSING CDBG 2005-06	CLEAN LAKES GRANT FUND	EMERGENCY SERVICES SAP GRANT	PROBATE GRANT	EMERGENCY SERVICES LEPC GRANT	HOMEBUYERS PURCHASE REHAB 04-06
\$ 23,158	\$ 6,731	\$ -	\$ 190	\$ 617	\$ 412
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	6,535	-	1,498
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
23,158	6,731	-	6,725	617	1,910
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	457	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	457	-	-
23,158	-	-	6,268	617	1,910
-	6,731	-	-	-	-
23,158	6,731	-	6,268	617	1,910
\$ 23,158	\$ 6,731	\$ -	\$ 6,725	\$ 617	\$ 1,910

(Continued)

See Notes to Financial Statements

ANTRIM COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2005

	SPECIAL REVENUE FUNDS			
	CHILD CARE	SOLDIERS RELIEF FUND	VETERAN'S TRUST FUND	SERVICES FOR AGED FUND
ASSETS				
Cash	\$ 91,181	\$ 8,420	\$ 516	\$ 30,243
Investments	-	-	-	-
Receivables:				
Taxes	-	-	-	581,763
Accounts	-	-	-	-
Mortgages	-	-	-	-
Due From Other Funds	-	-	-	-
Due From Other Governmental Units	24,603	-	-	-
	<u>115,784</u>	<u>8,420</u>	<u>516</u>	<u>612,006</u>
TOTAL ASSETS				
	<u>115,784</u>	<u>8,420</u>	<u>516</u>	<u>612,006</u>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ 40,833	\$ -	\$ -	\$ 40,272
Accrued Liabilities	-	-	-	11,912
Due to Other Funds	-	-	-	-
Due to Other Governmental Units	2,285	-	-	-
Advances From Other Governmental Units	-	-	-	-
Deferred Revenue	-	-	-	581,763
	<u>43,118</u>	<u>-</u>	<u>-</u>	<u>633,947</u>
TOTAL LIABILITIES				
	<u>43,118</u>	<u>-</u>	<u>-</u>	<u>633,947</u>
FUND BALANCE				
Reserved	-	-	-	-
Unreserved	72,666	8,420	516	(21,941)
	<u>72,666</u>	<u>8,420</u>	<u>516</u>	<u>(21,941)</u>
TOTAL FUND BALANCES				
	<u>72,666</u>	<u>8,420</u>	<u>516</u>	<u>(21,941)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 115,784</u>	<u>\$ 8,420</u>	<u>\$ 516</u>	<u>\$ 612,006</u>

See Notes to Financial Statements

		DEBT SERVICE FUND		CAPITAL PROJECTS FUNDS		
MEADOW VIEW SENIOR HOUSING	SELF-INSURED RESERVE FUND	05 COURTHOUSE DEBT SERVICE FUND	ELK RAPIDS FISH PARK CAPITAL PROJECT	BUILDINGS & STRUCTURES CAPITAL PROJECT	TOTAL	
\$ 93,274	\$ 50,731	\$ 1,029	\$ 7,456	\$ 10,978	\$	2,726,806
-	-	9,000	-	458,000		738,438
-	-	-	-	-		581,763
-	-	-	-	-		63,631
-	-	-	-	-		1,789,813
-	-	-	-	-		-
-	-	-	-	-		165,140
93,274	50,731	10,029	7,456	468,978		6,065,591
\$ 12,507	\$ -	\$ -	\$ -	\$ 1,035		114,848
4,200	-	-	-	-		61,578
-	-	-	-	-		1,000
-	-	-	-	-		2,285
-	-	-	-	-		-
-	-	-	-	-		2,371,576
16,707	-	-	-	1,035		2,551,287
-	-	10,029	7,456	467,943		1,435,862
76,567	50,731	-	-	-		2,078,442
76,567	50,731	10,029	7,456	467,943		3,514,304
\$ 93,274	\$ 50,731	\$ 10,029	\$ 7,456	\$ 468,978	\$	6,065,591

(Concluded)

See Notes to Financial Statements

ANTRIM COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	SOLID WASTE RESERVE FUND	VICTIMS' RIGHTS	CAPITAL OUTLAY RESERVE	DAMS RESERVE
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenue				
Federal	-	-	-	-
State	-	-	-	-
Other Local Units	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeits	-	-	-	-
Interest and Rents	3,394	250	1,755	19,008
Other Revenue	-	425	-	-
TOTAL REVENUES	3,394	675	1,755	19,008
EXPENDITURES				
Current				
Judicial	-	-	-	-
General Government	-	-	-	-
Public Safety	-	492	-	-
Health and Welfare	-	-	-	-
Recreation and Cultural	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and Other Charges	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	-	492	-	-
REVENUES OVER (UNDER) EXPENDITURES	3,394	183	1,755	19,008
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers (Out)	-	-	(3,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(3,000)	-
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	3,394	183	(1,245)	19,008
FUND BALANCES, BEGINNING OF YEAR	107,767	7,908	58,375	603,686
FUND BALANCES, END OF YEAR	<u>\$ 111,161</u>	<u>\$ 8,091</u>	<u>\$ 57,130</u>	<u>\$ 622,694</u>

See Notes to Financial Statements

SPECIAL REVENUE FUNDS

GAS AND OIL ROYALTIES RESERVE FUND	BARNES PARK GRANT RESERVE	GRANT MATCH RESERVE FUND	AIRPORT GRANT MATCH	AIRPORT SPECIAL PROJECTS FUND	FRIEND OF COURT FUND	PROSECUTING ATTORNEY LEGAL
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	50,148	-	-
-	-	-	-	243,249	-	-
-	-	-	-	-	-	-
-	-	-	-	-	3,210	-
-	-	-	-	-	-	-
7,586	-	230	-	-	-	19
14,000	-	125	-	-	-	-
<u>21,586</u>	<u>-</u>	<u>355</u>	<u>-</u>	<u>293,397</u>	<u>3,210</u>	<u>19</u>
-	-	-	-	-	3,210	-
-	-	-	2,400	13,355	-	535
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	280,042	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>2,400</u>	<u>293,397</u>	<u>3,210</u>	<u>535</u>
21,586	-	355	(2,400)	-	-	(516)
-	-	1,707	42	-	-	-
-	-	-	(1,707)	(42)	-	-
-	-	1,707	(1,665)	(42)	-	-
21,586	-	2,062	(4,065)	(42)	-	(516)
19,395	19	63,947	4,065	42	-	1,041
<u>\$ 40,981</u>	<u>\$ 19</u>	<u>\$ 66,009</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 525</u>

(Continued)

See Notes to Financial Statements

ANTRIM COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	BELLAIRE DAM FUND	INTERNET ACCESS FUND	GRASS RIVER FUND	ANIMAL CONTROL DONATIONS
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenue				
Federal	-	-	-	-
State	-	-	-	-
Other Local Units	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeits	-	-	-	-
Interest and Rents	1,085	32	242	368
Other Revenue	-	-	10,000	3,920
TOTAL REVENUES	1,085	32	10,242	4,288
EXPENDITURES				
Current				
Judicial	-	-	-	-
General Government	8,450	2,475	-	-
Public Safety	-	-	-	5,246
Health and Welfare	-	-	-	-
Recreation and Cultural	-	-	27,249	-
Debt service				
Principal	-	-	-	-
Interest and Other Charges	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	8,450	2,475	27,249	5,246
REVENUES OVER (UNDER) EXPENDITURES	(7,365)	(2,443)	(17,007)	(958)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	26,050	-
Transfers (Out)	-	(2,007)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	(2,007)	26,050	-
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(7,365)	(4,450)	9,043	(958)
FUND BALANCES, BEGINNING OF YEAR	38,917	4,450	3,954	11,596
FUND BALANCES, END OF YEAR	\$ 31,552	\$ -	\$ 12,997	\$ 10,638

See Notes to Financial Statements

SPECIAL REVENUE FUNDS

FORESTRY FUND	CEDAR RIVER	ANTRIM CREEK NORCORSS GRANT	ANTRIM CREEK	PARK FUND RAISER	PUBLIC ACCESS BOOK FUND	WETZEL LAKE OPERATING
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
260	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
31,674	-	-	-	-	-	-
-	-	-	-	-	-	-
4,493	-	-	1,871	15	30	15
5,000	-	-	5,500	1,119	200	-
41,427	-	-	7,371	1,134	230	15
-	-	-	-	-	-	-
31,615	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	3,500	-	3,900	1,294	250	1,143
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
31,615	3,500	-	3,900	1,294	250	1,143
9,812	(3,500)	-	3,471	(160)	(20)	(1,128)
-	3,500	-	-	-	-	-
(3,500)	-	-	-	-	-	-
(3,500)	3,500	-	-	-	-	-
6,312	-	-	3,471	(160)	(20)	(1,128)
139,997	-	624	56,990	716	18	1,130
\$ 146,309	\$ -	\$ 624	\$ 60,461	\$ 556	\$ (2)	\$ 2

(Continued)

See Notes to Financial Statements

ANTRIM COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	BARNES PARK GRANT 04-06	GIS IMPLEMENTA- TION	AIRPORT DONATIONS LANDSCAPING
REVENUES			
Taxes	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Intergovernmental Revenue			
Federal	-	-	-
State	59,048	-	-
Other Local Units	-	-	-
Charges for Services	-	2,111	-
Fines and Forfeits	-	-	-
Interest and Rents	-	719	8
Other Revenue	-	-	10,450
TOTAL REVENUES	59,048	2,830	10,458
EXPENDITURES			
Current			
Judicial	-	-	-
General Government	-	19,625	9,815
Public Safety	-	-	-
Health and Welfare	-	-	-
Recreation and Cultural	19,490	-	-
Debt service			
Principal	-	-	-
Interest and Other Charges	-	-	-
Capital Outlay	52,438	-	-
TOTAL EXPENDITURES	71,928	19,625	9,815
REVENUES OVER (UNDER) EXPENDITURES	(12,880)	(16,795)	643
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers (Out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(12,880)	(16,795)	643
FUND BALANCES, BEGINNING OF YEAR	28,360	30,969	-
FUND BALANCES, END OF YEAR	\$ 15,480	\$ 14,174	\$ 643

See Notes to Financial Statements

SPECIAL REVENUE FUNDS						
EDC REVOLVING FUND	CONSTRUCTION CODE ENFORCE- MENT	ROAD PATROL	STATE HOMELAND SECURITY	HOMESTEAD PROPERTY TAX EXEMPTION	REGISTER OF DEEDS AUTOMATION FUND	BUDGET STABILIZATION
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	469,031	-	-	-	-	-
-	-	-	11,654	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	66,025	-
-	-	-	-	-	-	-
79	543	2,019	-	6,580	3,711	17,584
-	672	2,293	-	1,030	-	-
79	470,246	4,312	11,654	7,610	69,736	17,584
-	-	-	-	-	-	-
-	-	-	-	2,383	119,543	-
-	614,725	404,571	11,654	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	12,702	-	-	-	-	-
-	627,427	404,571	11,654	2,383	119,543	-
79	(157,181)	(400,259)	-	5,227	(49,807)	17,584
-	120,000	438,933	-	-	-	-
-	-	-	-	-	-	-
-	120,000	438,933	-	-	-	-
79	(37,181)	38,674	-	5,227	(49,807)	17,584
2,532	32,264	1,586	-	29,137	109,586	558,481
\$ 2,611	\$ (4,917)	\$ 40,260	\$ -	\$ 34,364	\$ 59,779	\$ 576,065

See Notes to Financial Statements

ANTRIM COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	911 TRAINING	E-911 OPERATING	E-911 WIRELESS FUND
REVENUES			
Taxes	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Intergovernmental Revenue			
Federal	-	-	-
State	4,014	-	98,725
Other Local Units	-	-	-
Charges for Services	-	505,856	-
Fines and Forfeits	-	-	-
Interest and Rents	301	19,439	4,535
Other Revenue	-	2,327	-
TOTAL REVENUES	4,315	527,622	103,260
EXPENDITURES			
Current			
Judicial	-	-	-
General Government	-	-	-
Public Safety	8,026	561,832	13,723
Health and Welfare	-	-	-
Recreation and Cultural	-	-	-
Debt service			
Principal	-	-	-
Interest and Other Charges	-	-	-
Capital Outlay	-	-	23,050
TOTAL EXPENDITURES	8,026	561,832	36,773
REVENUES OVER (UNDER) EXPENDITURES	(3,711)	(34,210)	66,487
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers (Out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(3,711)	(34,210)	66,487
FUND BALANCES, BEGINNING OF YEAR	9,099	668,536	135,244
FUND BALANCES, END OF YEAR	\$ 5,388	\$ 634,326	\$ 201,731

See Notes to Financial Statements

SPECIAL REVENUE FUNDS						
DRIVING INTOXICATED	LOCAL CORRECTIONS OFFICER TRAINING	JAIL INMATE PROCEEDS	MICHIGAN JUSTICE TRAINING	LAW LIBRARY FUND	2003 EMERGENCY SERVICES TRAINING	EMERGENCY SERVICES GRANT
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	3,743	-
-	-	-	2,006	-	-	-
-	-	-	-	-	-	-
-	8,735	5,127	-	-	-	-
-	-	-	-	6,000	-	-
65	365	126	-	79	-	-
5,000	-	-	-	-	-	-
5,065	9,100	5,253	2,006	6,079	3,743	-
-	-	-	-	22,453	-	-
-	-	-	-	-	-	-
6,113	975	4,432	3,742	-	3,743	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
6,113	975	4,432	3,742	22,453	3,743	-
(1,048)	8,125	821	(1,736)	(16,374)	-	-
-	-	-	-	20,000	-	-
-	-	-	-	-	-	(677)
-	-	-	-	20,000	-	(677)
(1,048)	8,125	821	(1,736)	3,626	-	(677)
1,104	7,441	5,851	2,358	1,155	-	677
\$ 56	\$ 15,566	\$ 6,672	\$ 622	\$ 4,781	\$ -	\$ -

(Continued)

See Notes to Financial Statements

ANTRIM COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	HOUSING PROJECT INCOME	EMERGENCY SERVICES TOTAL GRANT	HOUSING 03/04 CDBG GRANT
REVENUES			
Taxes	\$ -	\$ -	-
Licenses and Permits	-	-	-
Intergovernmental Revenue			
Federal	-	145,515	13,512
State	-	-	-
Other Local Units	-	-	-
Charges for Services	-	-	-
Fines and Forfeits	-	-	-
Interest and Rents	487	-	-
Other Revenue	69,303	-	-
TOTAL REVENUES	69,790	145,515	13,512
EXPENDITURES			
Current			
Judicial	-	-	-
General Government	-	-	-
Public Safety	-	73,924	-
Health and Welfare	-	-	62,170
Recreation and Cultural	-	-	-
Debt service	-	-	-
Principal	-	-	-
Interest and Other Charges	-	-	-
Capital Outlay	-	71,591	-
TOTAL EXPENDITURES	-	145,515	62,170
REVENUES OVER (UNDER) EXPENDITURES	69,790	-	(48,658)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	69,602
Transfers (Out)	(79,353)	-	(25,000)
TOTAL OTHER FINANCING SOURCES (USES)	(79,353)	-	44,602
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(9,563)	-	(4,056)
FUND BALANCES, BEGINNING OF YEAR	13,282	-	9,170
FUND BALANCES, END OF YEAR	\$ 3,719	\$ -	\$ 5,114

See Notes to Financial Statements

SPECIAL REVENUE FUNDS

SNOWMOBILE GRANT	HOUSING CDBG 2005-06	CLEAN LAKES GRANT FUND	EMERGENCY SERVICES SAP GRANT	PROBATE GRANT	EMERGENCY SERVICES LEPC GRANT	HOME BUYERS PURCHASE REHAB 2004-05
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	136,892	-	5,000	-	-	50,787
6,695	-	-	-	-	-	-
-	-	-	-	19,187	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	205	-	-	-	-
-	-	-	-	-	-	-
6,695	136,892	205	5,000	19,187	-	50,787
-	-	-	-	-	-	-
-	-	-	-	-	-	-
8,429	-	-	5,000	-	83	-
-	141,234	-	-	12,633	-	56,128
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
8,429	141,234	-	5,000	12,633	83	56,128
(1,734)	(4,342)	205	-	6,554	(83)	(5,341)
6,880	27,500	-	-	-	-	7,251
-	-	-	-	-	-	-
6,880	27,500	-	-	-	-	7,251
5,146	23,158	205	-	6,554	(83)	1,910
11,906	-	6,526	-	(286)	700	-
\$ 17,052	\$ 23,158	\$ 6,731	\$ -	\$ 6,268	\$ 617	\$ 1,910

(Continued)

See Notes to Financial Statements

ANTRIM COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	CHILD CARE FUND	SOLDIERS RELIEF FUND	VETERAN'S TRUST FUND
REVENUES			
Taxes	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Intergovernmental Revenue			
Federal	-	-	-
State	223,530	-	3,858
Other Local Units	-	-	-
Charges for Services	-	-	-
Fines and Forfeits	-	-	-
Interest and Rents	2,970	-	-
Other Revenue	82,500	-	-
TOTAL REVENUES	309,000	-	3,858
EXPENDITURES			
Current			
Judicial	-	-	-
General Government	-	-	-
Public Safety	-	-	-
Health and Welfare	564,477	19,834	3,650
Recreation and Cultural	-	-	-
Debt service			
Principal	-	-	-
Interest and Other Charges	-	-	-
Capital Outlay	-	-	-
TOTAL EXPENDITURES	564,477	19,834	3,650
REVENUES OVER (UNDER) EXPENDITURES	(255,477)	(19,834)	208
OTHER FINANCING SOURCES (USES)			
Transfers In	275,000	25,000	-
Transfers (Out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	275,000	25,000	-
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	19,523	5,166	208
FUND BALANCES, BEGINNING OF YEAR	53,143	3,254	308
FUND BALANCES, END OF YEAR	\$ 72,666	\$ 8,420	\$ 516

See Notes to Financial Statements

SPECIAL REVENUE FUNDS			DEBT SERVICE FUND	CAPITAL PROJECTS FUNDS		TOTAL
SERVICES FOR AGED FUND	MEADOW VIEW SENIOR HOUSING	SELF-INSURED RESERVE	05 COURTHOUSE DEBT SERVICE FUND	ELK RAPIDS FISH PARK CAPITAL PROJECT FUND	BUILDINGS & STRUCTURES CAPITAL PROJECT FUND	
\$ 511,531	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 511,531
-	-	-	-	-	-	469,291
95,529	-	-	-	-	-	512,780
57,567	-	-	-	-	-	698,692
-	-	-	-	-	-	19,187
230,178	-	-	-	-	-	852,916
-	-	-	-	-	-	6,000
14,641	107,285	2,175	205	228	16,354	241,096
28,803	3,819	-	-	-	13,677	260,163
938,249	111,104	2,175	205	228	30,031	3,571,656
-	-	-	-	-	-	25,663
-	-	-	-	-	127,831	338,027
-	-	-	-	-	-	1,726,710
913,625	123,069	-	-	-	-	1,896,820
-	-	-	-	-	-	56,826
-	-	-	-	-	-	-
-	-	-	-	-	-	-
33,394	-	-	-	-	98,131	571,348
947,019	123,069	-	-	-	225,962	4,615,394
(8,770)	(11,965)	2,175	205	228	(195,931)	(1,043,738)
20,000	-	-	-	-	393,347	1,434,812
-	(2,500)	(120,000)	-	-	-	(237,786)
20,000	(2,500)	(120,000)	-	-	393,347	1,197,026
11,230	(14,465)	(117,825)	205	228	197,416	153,288
(33,171)	91,032	168,556	9,824	7,228	270,527	3,361,016
\$ (21,941)	\$ 76,567	\$ 50,731	\$ 10,029	\$ 7,456	\$ 467,943	\$ 3,514,304

(Concluded)

See Notes to Financial Statements

ANTRIM COUNTY
OTHER PROPRIETARY FUND
STATEMENT OF NET ASSETS
DECEMBER 31, 2005

	<u>ENTERPRISE FUNDS</u> <u>TRANSPORTATION</u>
ASSETS	
Current Assets	
Cash	\$ 145,528
Investments	-
Receivables:	
Accounts	31,310
Taxes	-
Interest and Penalties	-
Due From Other Governments	2,158
Prepaid Expenses	7,560
Inventories	17,894
Capital Assets - Net	<u>443,246</u>
TOTAL ASSETS	<u>647,696</u>
LIABILITIES	
Accounts Payable	60,424
Accrued Wages	10,793
Due to Other Funds	-
Due to Other Governments	-
Bonds Payable	-
Deferred Revenue	<u>-</u>
TOTAL LIABILITIES, ALL CURRENT	<u>71,217</u>
NET ASSETS	
Investment in Capital Assets, Net of Related Debt	443,246
Unrestricted net assets	133,233
Restricted net assets	<u>-</u>
TOTAL NET ASSETS	<u><u>\$ 576,479</u></u>

See Notes to Financial Statements

ANTRIM COUNTY
OTHER PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
DECEMBER 31, 2005

	<u>ENTERPRISE FUNDS</u> <u>TRANSPORTATION</u>
OPERATING REVENUES	
Interest and Penalties on Taxes	\$ -
Charges for Services	290,274
Sale of Properties at Tax Auction	-
Other Income	-
	<hr/>
TOTAL OPERATING REVENUES	<hr/> 290,274
OPERATING EXPENSES	
Salary Expense	303,630
Fringe Benefit Expense	200,151
Other Expenses	298,960
Depreciation Expense	159,985
	<hr/>
TOTAL OPERATING EXPENSES	<hr/> 962,726
OPERATING INCOME (LOSS)	(672,452)
NONOPERATING REVENUES (EXPENSES)	
Interest Earned on Investments	4,246
Interest Expense	-
Tax Levy	-
Restricted Donations/Income	-
Federal Grants	124,034
State Grants	295,855
	<hr/>
TOTAL NONOPERATING REVENUES (EXPENSES)	<hr/> 424,135
INCOME BEFORE OPERATING TRANSFERS	(248,317)
TRANSFERS	
Transfers from Other Funds	62,000
Transfers to Other Funds	-
	<hr/>
TOTAL TRANSFERS	<hr/> 62,000
NET INCOME (LOSS)	(186,317)
NET ASSETS, BEGINNING OF YEAR	<hr/> 762,796
NET ASSETS, END OF YEAR	<hr/> <hr/> \$ 576,479

See Notes to Financial Statements

ANTRIM COUNTY
OTHER PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>ENTERPRISE FUNDS</u> <u>TRANSPORTATION</u>
Cash Flows from Operating Activities:	
Cash received from customers	\$ 281,156
Cash payments for goods and services	(301,239)
Cash received from penalties and interest on delinquent taxes	-
Cash payments to employees for services/fringe benefits	(504,159)
Cash payments for delinquent tax rolls	<u>-</u>
Net Cash Provided (Used) by Operating Activities	<u>(524,242)</u>
Cash Flows from Non Capital Financing Activities:	
Transfers from (to) other funds	62,000
Proceeds from county tax levy	-
Operating grants received	<u>419,903</u>
Net Cash Provided (Used) by Non Capital Financing Activities	<u>481,903</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition of capital assets	(35,118)
Capital acquisition grants - received in cash	35,118
Principal paid on bonds	-
Interest paid on bonds	-
Proceeds from sale of property and equipment	<u>-</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>
Cash Flows from Investing Activities:	
Interest Received	<u>4,246</u>
Net Cash Provided by Investing Activities	<u>4,246</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(38,093)
Cash and Cash Equivalents, Beginning of Year	<u>183,621</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 145,528</u></u>

See Notes to Financial Statements

ANTRIM COUNTY
OTHER PROPRIETARY FUND
STATEMENT OF CASH FLOWS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>ENTERPRISE FUNDS</u>
	<u>TRANSPORTATION</u>
Operating Income (Loss)	\$ (672,452)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation Expense	159,985
Changes in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(9,119)
(Increase) Decrease in Delinquent Taxes Receivable	-
(Increase) Decrease in Inventories	(4,271)
(Increase) Decrease in Prepaid Expenses	2,030
Increase (Decrease) in Accounts Payable	(38)
Increase (Decrease) in Accrued Liabilities	(377)
Deferred Revenues	-
Net Cash Provided (Used) by Operating Activities	<u>\$ (524,242)</u>

See Notes to Financial Statements



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

May 17, 2006

Board of Commissioners
Antrim County
Bellaire, Michigan 49615

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Antrim, Michigan as of and for the year ended December 31, 2005, which collectively comprise the County of Antrim, Michigan's basic financial statements and have issued my report thereon dated May 17, 2006. I did not audit the financial statements of the Meadow Brook Medical Care Facility, which represent 15.34 percent, 16.96 percent, and 31.38 percent, respectively of the assets, net assets, and revenues of Antrim County. Those financial statements were audited by other auditors whose report thereon has been furnished to me, and my opinion, insofar as it relates to the amounts included for Meadow Brook Medical Care Facility, is based on the report of the other auditors. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Antrim County's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses. However, I noted other matters involving the internal control over financial reporting that I have reported to management of Antrim County in a separate letter dated May 17, 2006.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Antrim County's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, I noted certain immaterial instances of noncompliance that I have reported to management of Antrim County in a separate letter dated May 17, 2006.

MEMBER: AMERICAN INSTITUTE OF CPAS & MICHIGAN ASSOCIATION OF CPAS

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Board of Commissioners
Antrim County
May 17, 2006

This report is intended solely for the information and use of management, the Board of Commissioners, federal awarding agencies, pass-through entities, and Michigan Department of Treasury and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, reading "Thomas R. Zick, CPA, P.C." in a cursive script.

THOMAS R. ZICK CPA, P.C.
CERTIFIED PUBLIC ACCOUNTANT



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FINANCIAL AUDIT COMMENTS

May 17, 2006

Antrim County Board of Commissioners
Antrim County
Bellaire, Michigan 49615

In planning and performing my audit of the financial statements of Antrim County, Michigan, for the year ended December 31, 2005, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control structure. However, I noted certain matters involving the internal control structure and its operation that I feel should be brought to your attention as follows:

BUDGETS

Budgetary Procedures

The Board of Commissioners properly adopted a budget for the General Fund and Special Revenue Funds for the year ended December 31, 2005 in accordance with Public Act 621 of 1978, The Uniform Budgeting and Accounting Act.

Specific sections of Public Act 621 of 1978 follow:

1. Section 18(1), as amended, provides that a County shall not incur expenditures in excess of the amount appropriated. In the body of the financial statements the County's actual expenditures and budgeted expenditures for the General Fund and Special Revenue Funds have been shown on a functional basis. As a result, for the year ended December 31, 2005 the County incurred functional expenditures in the General Fund and Special Revenue funds in excess of the amount appropriated as follows:

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
General:			
Housing	<u>-0-</u>	<u>\$ 17,087</u>	<u>\$ (17,087)</u>
Special Revenue:			
Airport Special Projects	<u>\$ 28,834</u>	<u>\$ 293,397</u>	<u>\$ (264,563)</u>
Law Library	<u>\$ 21,000</u>	<u>\$ 22,453</u>	<u>\$ (1,453)</u>
Homebuyers Purchase Rehab	<u>\$ 49,500</u>	<u>\$ 56 128</u>	<u>\$ (6,628)</u>

Fund Deficits – The County accumulated fund balance/retained earning deficits in the following individual fund.

Governmental: Special Revenue:

Public Access Book Fund	\$ (2)
Construction Code	\$ (4,917)
Services for Aged	\$ (21,941)

Public Act 275 of 1980 requires the County to file a deficit elimination plan within 90 days after December 31, 2005. The County has not filed the required plan, however, the deficits are expected to be eliminated in 2005 and an appropriate plan will be filed.

GRANTS AND GRANT REPORTING

During 2005 there was at least one instance at Antrim County where a program department failed to timely file a grant reimbursement report and the late filed report was rejected by the State. This resulted in a loss of funds to the County. There are other instances where departments other than the clerk's office are still preparing grant reimbursement reports, frequently from records they maintain rather than the official county accounting records.

Grant reporting for expenditure reimbursement should be done by the County clerk's office. The County general ledger should be used as a basis for these reports. The clerk's office prepares that ledger and would be the ideal department to prepare those reports. Frequently the reimbursement reports are completed from data in the oversight department without reference to the County general ledger. This is a repeat comment.

COMPUTER PROCESSING

The County spends significant amounts for computer processing on an annual basis and at the present time the system operates effectively and your service center is responsive to the needs of your primary user departments.

However, it is my opinion, that in the near future, the County should complete an overall needs assessment and develop a long-term plan for technology requirements. Even today, your system does not permit real time use for your primary accounting records, such as your receipt journals, disbursement journals, and general ledger. Prior year, and even prior months data is not available without using hard copy. Most systems today allow instant access to your data including activity from prior accounting periods. Your needs assessment process should include all present and future users in order to best determine the direction Antrim County will take in this rapidly changing area. I understand you have now started this process. This is a repeat comment.

FIXED ASSETS

The County had their appraisal/inventory updated and the data has been incorporated into the financial statement. For future periods, the following needs to be done annually:

1. The additions for the year should reconcile to the capital outlay ledger accounts.
2. A system needs to be devised to require departments to inform the clerk's department of disposals of fixed assets, especially when the item is scrapped.
3. Grant purchases such as those received at the Airport need to be added to this list.

I also feel your capitalization amount which was set at \$5,000 is probably too high. For future periods I would suggest \$2,500 might be more appropriate for a government the size of Antrim County and this amount would have to be communicated to the appraisal firm.

AIRPORT

The Airport presently is accounted for as a general fund department. Because of the significant increase in fuel costs and sales and also the numerous grants received annually, I suggest that the activities be recorded, beginning in 2007, as an enterprise fund. This would separate all airport transactions into one fund and would make financial information more readily available and in an easier to read format.

The grants received by the Airport, many times do not involve the actual receipt of cash in the county records, but instead are paid for by the State on behalf of the county. These grant revenues and expenditures should be recorded in order to properly reflect the Airport activity.

MILEAGE REIMBURSEMENT

The Department of Treasury has recently attempted to clarify the legality of payment for mileage reimbursement from home to the County building and back for county meetings. County commissioners can receive these reimbursements, however, it is Treasury's position that this is a personal expenditure under Internal Revenue Service guidelines as well as Michigan Income Tax requirements and should be included in the commissioner's W-2 as wage.

It is further their position that non-commissioners appointed to various boards such as housing, jury, etc. are not permitted to receive a mileage allowance.

I suggest that the County get written verification from Treasury prior to instituting any changes in its present policy.

OTHER

The County should investigate the feasibility of loaning the Hydro Electric Fund cash to repay the \$220,000 in debt. If the interest cost exceeds your investment yield or even is close the fund could repay the debt and then repay the County over a set time schedule and save the interest costs in future periods. I understand the County is considering this as of 11/1/07 at which date no early payment penalty is assessed.

Payroll time sheets were reviewed by us during the audit and I noted in many instances the individual employee did not prepare their own time sheet, it was not signed by them, and in certain instances the departmental supervisor had not signed the sheets. I feel all employees should be required to prepare their own time sheets and should sign each sheet which attests to the hours reported. In addition, all time sheets should be approved by the immediate supervisor.

Any allowance which is paid to reimburse an employee for items such as travel, clothing etc. is considered taxable income to the employee unless support for the expenditure is received by the County. For example a travel allowance of \$150 per month is taxable unless periodic travel reports are submitted which equal or exceed the allowance amount.

During the audit, in my review of expenditures I noted that in certain instances the individual preparing a check for disbursement to a vendor also signs the check. While there is a second signature required (i.e.: both clerk and treasurer sign all checks). I feel the preparer of the check, who also has reviewed the supporting documentation prior to payment, should not be one of the check signers, in order to maintain proper internal accounting control.

All bank accounts should be under the control of the County Treasurer. We noted one account in the Sheriff's office which had not been reconciled and had numerous old outstanding checks. We understand this account is now being reconciled monthly by the Treasurer's office.

ROAD COMMISSION

Several budgetary line items were overspent in violation of PA 621. In total the actual expenditures also exceeded the budgeted amount by \$169,717.

There is not adequate segregation of duties in the accounting area. The individual who posts all journals and the general ledger also prepares checks and related disbursements journals, and also initiates all journal entries.

I recognize that with only two full time individuals working in the accounting area adequate segregation of duties is not only difficult but for all practical purposes impossible. The Board must recognize that all internal controls must be evaluated for cost effectiveness and at this point little can be done to increase the control without a considerable cost increase. The controls, which could be added, would have to be compared with the costs required to obtain those controls. By assigning the bank reconciliation procedures to another employee, considerable strengthening of internal accounting control has already occurred.

I would like to express my appreciation, as well as that of my staff, for the excellent cooperation received while performing the audit. If I can be of any assistance in implementing the above recommendations, please contact me.

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Board of Commissioners
Antrim County
May 17, 2006

This report is intended solely for the use of management, the Board of Commissioners, the Michigan Department of Treasury, and federal awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Thomas R. Zick, CPA, P.C.", written in a cursive style.

THOMAS R. ZICK CPA, P.C.
CERTIFIED PUBLIC ACCOUNTANT